1.      **How the School Field Is Used**

The School field designates a specific, physical school structure or group of structures that form a campus as identified in the *California Public School Directory*.  The field refers to the physical location of the school building or buildings where students attend class.  It is a unit under a principal's responsibility for which a unique set of test scores is reported.

The School field applies to expenditure accounts and may be used in revenue accounts and balance sheet accounts.  A generic district-wide site or clearing account is used to capture costs not readily assignable to a particular site.  These district-wide costs may be distributed back to the school sites.

Although the field is mandated, reporting to the state at this level is not required at this time.  Counties and districts, however, should build into their systems a capacity to house this field for use in the future.

The codes for the School field will be assigned by each school district.  The California Department of Education will create a translation table that will match the district-assigned code with the CDS (county district school) code in the *California Public School Directory*.  District-assigned codes that do not correspond to the CDS codes in the *California Public School Directory* will be considered district-wide sites.

The following page provides an example of how to use the School field if an LEA chooses to use that field.

### 2.     Examples of Coding the School Field

**Revenue Transaction**

The school district receives instructional materials funding.  The revenue would be coded as follows:

| Fund/Group | Resource | Project Year | Goal | Function | Object | **School** |
|---|---|---|---|---|---|---|
| 01 | 7155 | 0 | 0000 | 0000 | 8590 | **000** |
| 01 | 7160 | 0 | 0000 | 0000 | 8590 | **000** |

- Fund 01 is the General Fund.
- Resource 7155 is Instructional Materials:  Grades K–8, and Resource 7160 is Instructional Materials: Grades 9–12.
- Project Year is not required in this example.
- Goal is generally not required for revenues.
- Function is not required for revenues.
- Object 8590 is All Other State Revenue.
- **School is not required.**

**Expenditure Transaction**

The district uses Instructional Materials revenue to purchase reading textbooks for grade six at ABC Elementary School and science textbooks for QRS High School.

| Fund/Group | Resource | Project Year | Goal | Function | Object | **School** |
|---|---|---|---|---|---|---|
| 01 | 7155 | 0 | 1110 | 1000 | 4100 | **123** |
| 01 | 7160 | 0 | 1110 | 1000 | 4100 | **223** |

- Fund 01 is the General Fund.
- Resource 7155 is Instructional Materials:  Grades K–8; and Resource 7160 is Instructional Materials: Grades 9–12.
- Project Year is not required in this example.
- Goal 1110 is Regular Education, K–12.
- Function 1000 is Instruction.
- Object 4100 is Approved Textbooks and Core Curricula Materials.
- **School 123 is the ABC Elementary School; School 223 is QRS High School.  Coding to the School field is not required; however, LEAs may wish to code expenditures for local information.**

**Balance Sheet Transaction**

At year-end the fund balance is restricted for unspent Instructional Material money:

| Fund/Group | Resource | Project Year | Goal | Function | Object | **School** |
|---|---|---|---|---|---|---|
| 01 | 7155 | 0 | 0000 | 0000 | 9740 | **000** |
| 01 | 7160 | 0 | 0000 | 0000 | 9740 | **000** |

- Fund 01 is the General Fund.
- Resource 7155 is Instructional Materials:  Grades K–8, and Resource 7160 is Instructional Materials: Grades 9–12.
- Project Year is not required in this example.
- Goal is not required for balance sheet transactions.
- Function is not required in balance sheet transactions.
- Object 9740 is Legally Restricted Balance and is established in the fund balance.
- **School is not required.**

The following pages contain examples of journal entries to record a variety of transactions in the Standardized Account Code Structure (SACS). These examples demonstrate simple to complex transactions, many of which generate questions from users. The following sections have been added to help answer these common questions and to illustrate how SACS account lines work:

Section 201, Revenue, illustrates the use of both the resource field and the revenue object field.

Section 202, Expenditure, illustrates the relationship of the function field to the expenditure object field, including the charge of direct support costs between goals and the charge of indirect costs between resources.

Section 203, Balance Sheet Accounts, illustrates how the balance sheet accounts may be used during the year and for closing entries at year-end.

Section 204, Cafeteria, answers many common questions about accounting for child nutrition programs.

Section 205, Cooperative Projects, illustrates a common agreement between LEAs to share in a common project, using a "contract for service" model.

Section 206, County Offices of Education, illustrate typical transactions of a COE with appropriate goals and functions.

Section 207, Forest Reserve, is an example of how to code a pass-through grant.

Section 208, Regional Occupational Centers/Programs, illustrates the transfer of apportionment transactions allowed for ROC/Ps and for Special Education. It includes typical contracts for services between LEAs.

Section 209, Special Education, illustrates the relationship between the special education goals, special education functions, and typical entries between a SELPA and an LEA.

Section 210, Staff Development, illustrates the use of the function field in booking the costs of staff development.

Section 211, Tax and Revenue Anticipation Notes, illustrates the basic entries for booking a TRAN.

Section 212, Technology Expenditures, illustrates common transactions for the purchase of computers, software, and other expenditures for technology.

Section 213, Transportation, illustrates transactions for home-to-school programs, entries that will result in correct data collection for the automated transportation report.

Revenues are classified by source and type in the Object field.  When the revenues are for restricted uses or have reporting requirements, they are further identified by the Resource field. If the revenues are for federal projects that cross the LEA reporting fiscal year, they are also coded by the ending year of the project in the Project Year field.

**Example 1:  Unrestricted Revenue**
A district receives property taxes, the local portion of the revenue limit.  The secured roll taxes will be coded as follows:

|     | Fund/Group | Resource | Project Year | Goal | Function | Object | School |
|-----|------------|----------|--------------|------|----------|--------|--------|
| Dr  | 01         | 0000     | 0            | 0000 | 0000     | 9110   | 000    |
| Cr  | 01         | 0000     | 0            | 0000 | 0000     | 8041   | 000    |

- Fund 01 is the General Fund.
- Resource 0000 is Unrestricted Resources.
- Project Year is not required in this example.
- Goal is generally not required for revenues.
- Function is not required for revenues.
- Object 8041 is Secured Roll Taxes, and Object 9110 is Cash in County Treasury.
- School is not required.

**Example 2:  Restricted Revenue**
A district receives a federal grant for bilingual programs.  The revenue would be coded as follows:

|     | Fund/Group | Resource | Project Year | Goal | Function | Object | School |
|-----|------------|----------|--------------|------|----------|--------|--------|
| Dr  | 01         | 4230     | 3            | 0000 | 0000     | 9110   | 000    |
| Cr  | 01         | 4230     | 3            | 0000 | 0000     | 8290   | 000    |

- Fund 01 is the General Fund.
- Resource 4230 is Federal Bilingual Education Discretionary Grants.
- Project Year is 3 because this federal project ends in October 2003; Project Year may be used for balance sheet transactions.
- Goal is not required for revenues.
- Function is not required for revenues.
- Object 8290 is Other Federal Revenues, and Object 9110 is Cash in County Treasury.
- School is not required.

**Example 3:  Transfer of Unrestricted Money to a Restricted Resource**
If the district receives restricted revenue that requires a cash match by the district, the match would be recorded as a contribution from unrestricted resources.  The following example shows the receipt of revenue and the recording of the cash match:

## 201—Revenue

(a)  To record district receipt of a federal grant that requires a match:

| | Fund/Group | Resource | Project Year | Goal | Function | Object | School |
|---|---|---|---|---|---|---|---|
| Dr | 01 | 5810 | 0 | 0000 | 0000 | 9110 | 000 |
| Cr | 01 | 5810 | 0 | 0000 | 0000 | 8290 | 000 |

(b)  To record district match to restricted revenue from unrestricted revenues with corresponding transfer of cash:

| | Fund/Group | Resource | Project Year | Goal | Function | Object | School |
|---|---|---|---|---|---|---|---|
| Dr | 01 | 0000 | 0 | 0000 | 0000 | 8980 | 000 |
| Dr | 01 | 5810 | 0 | 0000 | 0000 | 9110 | 000 |
| Cr | 01 | 5810 | 0 | 0000 | 0000 | 8980 | 000 |
| Cr | 01 | 0000 | 0 | 0000 | 0000 | 9110 | 000 |

- Fund 01 is the General Fund.
- Resource 0000 is Unrestricted Resources, and Resource 5810 is Other Federal.
- Project Year is not required in this example.
- Goal is not required for revenues or for balance sheet transactions.
- Function is not required for revenues or for balance sheet transactions.
- Object 8980 is Contribution from Unrestricted Resources; Object 8290 is All Other Federal Revenue; and Object 9110 is Cash in County Treasury.
- School is not required.

The expenditures would be tracked by the resource.  The following are the sample expenditures for this resource:

(c)  To record the payment of salaries:

| | Fund/Group | Resource | Project Year | Goal | Function | Object | School |
|---|---|---|---|---|---|---|---|
| Dr | 01 | 5810 | 0 | 1110 | 1000 | 1100 | 456 |
| Dr | 01 | 5810 | 0 | 1110 | 2100 | 1300 | 000 |
| Dr | 01 | 5810 | 0 | 1110 | 3110 | 1200 | 000 |
| Cr | 01 | 5810 | 0 | 0000 | 0000 | 9110 | 000 |

- Fund 01 is the General Fund.
- Resource 5810 is Other Federal.
- Project Year is not required in this example.
- Goal 1110 is Regular Education, K–12, and goal is not required for balance sheet transactions.
- Function 1000 is Instruction; Function 2100 is Supervision of Instruction; Function 3110 is Guidance and Counseling Services; and function is not required for balance sheet accounts.
- Object 1100 is Teachers' Salaries; Object 1300 is Certificated Supervisors' and Administrators' Salaries; Object 1200 is Certificated Pupil Support Salaries; and Object 9110 is Cash in County Treasury.
- School 456 is Sample High School.  Coding to the School field is not required; however, LEAs may wish to code expenditures for local information.

**Example 4: Multiple Revenue Objects in a Single Resource or Project**
The home-to-school transportation activities are paid from different sources. These include state apportionments, user fees, and unrestricted revenues for the encroachment. However, the expenditures are not required to be broken down by the different sources; they are identified by a single resource. The following are sample transportation transactions:

(a) To record state apportionments and transportation fees:

|  | Fund/Group | Resource | Project Year | Goal | Function | Object | School |
|---|---|---|---|---|---|---|---|
| Dr | 01 | 7230 | 0 | 0000 | 0000 | 9110 | 000 |
| Cr | 01 | 7230 | 0 | 0000 | 0000 | 8311 | 000 |
| Cr | 01 | 7230 | 0 | 0000 | 0000 | 8675 | 000 |

(b) To record contribution from unrestricted revenues to transportation to cover excess costs:

|  | Fund/Group | Resource | Project Year | Goal | Function | Object | School |
|---|---|---|---|---|---|---|---|
| Dr | 01 | 0000 | 0 | 0000 | 0000 | 8980 | 000 |
| Dr | 01 | 7230 | 0 | 0000 | 0000 | 9110 | 000 |
| Cr | 01 | 7230 | 0 | 0000 | 0000 | 8980 | 000 |
| Cr | 01 | 0000 | 0 | 0000 | 0000 | 9110 | 000 |

- Fund 01 is the General Fund.
- Resource 7230 is Transportation: Home to School, and Resource 0000 is Unrestricted Resources.
- Project Year is not required in this example.
- Goal is generally not required for revenues and balance sheet accounts.
- Function is not required for revenues and balance sheet accounts.
- Object 8311 is Other State Apportionment; Object 8675 is Transportation Fees; Object 9110 is Cash in County Treasury; and Object 8980 is Contributions from Unrestricted Resources.
- School is not required.

(c) To record transportation expenditures:

|  | Fund/Group | Resource | Project Year | Goal | Function | Object | School |
|---|---|---|---|---|---|---|---|
| Dr | 01 | 7230 | 0 | 0000 | 3600 | 2200 | 000 |
| Dr | 01 | 7230 | 0 | 0000 | 3600 | 4300 | 000 |
| Dr | 01 | 7230 | 0 | 0000 | 3600 | 6500 | 000 |
| Cr | 01 | 7230 | 0 | 0000 | 0000 | 9110 | 000 |

- Fund 01 is the General Fund.
- Resource 7230 is Transportation: Home to School.
- Project Year is not required in this example.
- Goal 0000 is Undistributed; goal is not required in balance sheet accounts.
- Function 3600 is Pupil Transportation, and function is not required for balance sheet accounts.
- Object 2200 is Classified Support Salaries; Object 4300 is Materials and Supplies; Object 6500 is Equipment Replacement; and Object 9110 is Cash in County Treasury.
- School is not required.

## 201—Revenue

**Example 5: Activities Paid from Two or More Revenue Sources**
The special education programs are operated with money from different revenue sources. These include federal grants, state aid, unrestricted revenues, tuitions, and transfers of apportionments from other LEAs. Expenditures of federal revenues are required to be identified and reported separately. However, expenditures of state and unrestricted revenues do not need to be identified separately. The following are sample special education transactions:

(a) To record the payment of instructional aide wages with federal IDEA grant money:

|    | Fund/Group | Resource | Project Year | Goal | Function | Object | School |
|----|-----------|----------|--------------|------|----------|--------|--------|
| Dr | 01 | 3310 | 0 | 5750 | 1100 | 2100 | 456 |
| Cr | 01 | 3310 | 0 | 0000 | 0000 | 9110 | 000 |

- Fund 01 is the General Fund.
- Resource 3310 is IDEA Basic Local Assistance.
- Project Year is not required in this example because this federal resource follows the LEAs' fiscal year.
- Goal 5750 is Special Education, Ages 5–22 Severely Disabled, and goal is not required for balance sheet transactions.
- Function 1100 is Special Education: Separate Classes; function is not required for balance sheet transactions.
- Object 2100 is Instructional Aide, and Object 9110 is Cash in County Treasury.
- School 456 is Sample High School. Coding to the School field is not required; however, LEAs may wish to code expenditures for local information.

(b) To record the amount receivable from the IDEA grant:

|    | Fund/Group | Resource | Project Year | Goal | Function | Object | School |
|----|-----------|----------|--------------|------|----------|--------|--------|
| Dr | 01 | 3310 | 0 | 0000 | 0000 | 9290 | 000 |
| Cr | 01 | 3310 | 0 | 5001 | 0000 | 8181 | 000 |

- Fund 01 is the General Fund.
- Resource 3310 is IDEA Basic Local Assistance.
- Project Year is not required in this example.
- Goal 5001 is Special Education—Unspecified; goal is not required for balance sheet transactions.
- Function is not required for revenues or balance sheet transactions.
- Object 9290 is Due from Other Governments, and Object 8181 is Special Education—Entitlement.
- School is not required.

(c) To record receipt of the state special education programs apportionment:

|    | Fund/Group | Resource | Project Year | Goal | Function | Object | School |
|----|-----------|----------|--------------|------|----------|--------|--------|
| Dr | 01 | 6500 | 0 | 0000 | 0000 | 9100 | 000 |
| Cr | 01 | 6500 | 0 | 5001 | 0000 | 8311 | 000 |

- Fund 01 is the General Fund.
- Resource 6500 is Special Education, and Resource 0000 is Unrestricted Resources.
- Project Year is not applicable in this example.
- Goal 5001 is Special Education—Unspecified; goal is not required for balance sheet transactions.
- Function is not required for revenues or balance sheet transactions.
- Object 9110 is Cash in County Treasury.
- School is not required.

(d)  To record contributions from unrestricted revenues to special education and transfer of cash:

|    | Fund/Group | Resource | Project Year | Goal | Function | Object | School |
|----|-----------|----------|--------------|------|----------|--------|--------|
| Dr | 01 | 0000 | 0 | 0000 | 0000 | 8980 | 000 |
| Dr | 01 | 6500 | 0 | 0000 | 0000 | 9110 | 000 |
| Cr | 01 | 6500 | 0 | 5001 | 0000 | 8980 | 000 |
| Cr | 01 | 0000 | 0 | 0000 | 0000 | 9110 | 000 |

- Fund 01 is the General Fund.
- Resource 6500 is Special Education, and Resource 0000 is Unrestricted Resources.
- Project Year is not applicable in this example.
- Goal 5001 is Special Education—Unspecified; goal is not required for balance sheet transactions.
- Function is not required for revenues or balance sheet transactions.
- Object 9110 is Cash in County Treasury, and Object 8980 is Contributions from Unrestricted Resources.
- School is not required.

(e)  To record special education expenditures:

|    | Fund/Group | Resource | Project Year | Goal | Function | Object | School |
|----|-----------|----------|--------------|------|----------|--------|--------|
| Dr | 01 | 6500 | 0 | 5770 | 1190 | 1100 | 456 |
| Dr | 01 | 6500 | 0 | 5770 | 3150 | 1200 | 000 |
| Cr | 01 | 6500 | 0 | 0000 | 0000 | 9110 | 000 |

- Fund 01 is the General Fund.
- Resource 6500 is Special Education.
- Project Year is not applicable in this example.
- Goal 5770 is Special Education, Ages 5–22 Nonseverely Disabled; goal is not required for balance sheet accounts.
- Function 1190 is Special Education: Other Specialized Instructional Services; Function 3150 is Speech Pathology and Audiology Services; and function is not required for balance sheet accounts.
- Object 1100 is Teachers' Salaries; Object 1200 is Certificated Pupil Support Salaries; and Object 9110 is Cash in County Treasury.
- School 456 is Sample High School.  Coding to the School field is not required; however, LEAs may wish to code expenditures for local information.

Expenditures are handled differently depending on whether the expenditures are for the instruction function or for other services functions. Expenditures for instruction must be classified by goal. Expenditures for other services may be classified by goal if they are directly identifiable with a goal. Otherwise, they are recorded in the undistributed goal. Certain support service functions in the undistributed goal may be allocated to other goals based on allocation factors.

**Example 1:  Expenditure Directly Charged to a Goal**
Salary is paid for an adult education math teacher at a high school. The school has elected not to track expenditures by subject matter. The salary will be coded as follows:

|    | Fund/Group | Resource | Project Year | Goal | Function | Object | School |
|----|-----------|----------|--------------|------|----------|--------|--------|
| Dr | 11 | 3910 | 0 | 4110 | 1000 | 1100 | 456 |
| Cr | 11 | 3910 | 0 | 0000 | 0000 | 9110 | 000 |

- Fund 11 is the Adult Education Fund.
- Resource 3910 is Priority 1–3: Adult Basic Education.
- Project Year is not applicable in this example.
- Goal 4110 is Regular Education Adult; goal is not required for balance sheet accounts.
- Function 1000 is Instruction; function is not required for balance sheet accounts.
- Object 1100 is Teachers' Salaries, and Object 9110 is Cash in County Treasury.
- School 456 is Sample High School. Coding to the School field is not required; however, LEAs may wish to code expenditures for local information.

**Example 2:  Expenditures Charged to More than One Goal from Goal 0000, Undistributed**
A director of curriculum for a school district is responsible for the district's curriculum development and implementation for K–12, alternative schools, and bilingual education goals. The position is funded with unrestricted revenues. Because this expenditure cannot be directly identified to a goal, it is coded as follows:

(a)  To record payment of the director's salary:

|    | Fund/Group | Resource | Project Year | Goal | Function | Object | School |
|----|-----------|----------|--------------|------|----------|--------|--------|
| Dr | 01 | 0000 | 0 | 0000 | 2100 | 1300 | 000 |
| Cr | 01 | 0000 | 0 | 0000 | 0000 | 9110 | 000 |

- Fund 01 is the General Fund.
- Resource 0000 is Unrestricted Resources.
- Project Year is not applicable in this example.
- Goal 0000 is Undistributed; goal is not required in balance sheet accounts.
- Function 2100 is Supervision of Instruction; function is not required for balance sheet accounts.
- Object 1300 is Certificated Supervisors and Administrators' Salaries, and Object 9110 is Cash in County Treasury.
- School is not required.

(b)  The district may distribute the costs accumulated in the Goal 0000, Undistributed, by function to the other goals as follows:

|    | Fund/Group | Resource | Project Year | Goal | Function | Object | School |
|----|-----------|----------|--------------|------|----------|--------|--------|
| Dr | 01 | 0000 | 0 | 1100 | 2100 | 7310 | 000 |
| Dr | 01 | 0000 | 0 | 4760 | 2100 | 7310 | 000 |
| Dr | 01 | 0000 | 0 | 3100 | 2100 | 7310 | 000 |
| Cr | 01 | 0000 | 0 | 0000 | 2100 | 7310 | 000 |

- Fund 01 is the General Fund.
- Resource 0000 is Unrestricted Resources.
- Project Year is not applicable in this example.
- Goal 1110 is Regular Education K–12; Goal 4760 is Bilingual; Goal 3100 is Alternative Schools; and Goal 0000 is Undistributed.
- Function 2100 is Supervision of Instruction.
- Object 7310 is Direct Support/Indirect Costs for Interprogram Charges.
- School is not required.

**Example 3:  Expenditures Charged Between Funds**
A gardener is responsible for maintaining the yards at four high school sites and two adult education centers in the district.  This expenditure will be paid with unrestricted general fund sources and adult education fund sources.  The monthly salary would be coded as follows:

(a)  To record payment of the gardener's salary:

|    | Fund/Group | Resource | Project Year | Goal | Function | Object | School |
|----|-----------|----------|--------------|------|----------|--------|--------|
| Dr | 01 | 0000 | 0 | 0000 | 8100 | 2200 | 000 |
| Cr | 01 | 0000 | 0 | 0000 | 0000 | 9110 | 000 |

- Fund 01 is the General Fund.
- Resource 0000 is Unrestricted Resources.
- Project Year is not applicable in this example.
- Goal 0000 is Undistributed; goal is not required in balance sheet accounts.
- Function 8100 is Plant Maintenance and Operations; function is not required for balance sheet accounts.
- Object 2200 is Classified Support Salaries, and Object 9110 is Cash in County Treasury.
- School is not required.

(b)  To record transfer of direct support/indirect costs to the Adult Education Fund:

|    | Fund/Group | Resource | Project Year | Goal | Function | Object | School |
|----|-----------|----------|--------------|------|----------|--------|--------|
| Dr | 01 | 0000 | 0 | 0000 | 0000 | 9310 | 000 |
| Cr | 01 | 0000 | 0 | 0000 | 8100 | 7350 | 000 |

- Fund 01 is the General Fund.
- Resource 0000 is Unrestricted Resources.
- Project Year is not applicable in this example.
- Goal 0000 is Undistributed; goal is not required for balance sheet accounts.
- Function is not required for balance sheet accounts, and Function 8100 is Plant Maintenance and Operations.
- Object 9310 is Due from Other Funds, and Object 7350 is Direct Support/Indirect Costs for Interfund Charges.
- School is not required.

(c)  To record transfer of direct support/indirect costs from General Fund:

|     | Fund/Group | Resource | Project Year | Goal | Function | Object | School |
|-----|-----------|----------|--------------|------|----------|--------|--------|
| Dr  | 11        | 0000     | 0            | 0000 | 8100     | 7350   | 000    |
| Cr  | 11        | 0000     | 0            | 0000 | 0000     | 9610   | 000    |

- Fund 11 is the Adult Education Fund.
- Resource 0000 is Unrestricted Resources.
- Project Year is not applicable in this example.
- Goal 0000 is Undistributed; goal is not required for balance sheet accounts.
- Function 8100 is Plant Maintenance and Operations; functions are not required for balance sheet accounts.
- Object 7350 is Direct Support/Indirect Costs for Interfund Charges, and Object 9610 is Due to Other Funds.
- School is not required.


**Example 4:  Charge of Approved Indirect Cost Rate to a Federal Resource**
Typically, a county office or LEA will charge federal or state programs either the allowed indirect cost rate or their approved indirect cost rate, whichever is lower.  Indirect costs consist of those business and administrative costs that benefit the entire LEA, such as accounting, budgeting, personnel, purchasing, and undistributed data processing.  An LEA's approved indirect cost rate is based on a specific formula approved annually by CDE.

In the following example, the LEA charges its categoricals its approved indirect cost rate from CDE.

|     | Fund/Group | Resource | Project Year | Goal | Function | Object | School |
|-----|-----------|----------|--------------|------|----------|--------|--------|
| Dr  | 01        | 3010     | 0            | 0000 | 7200     | 7310   | 000    |
| Cr  | 01        | 3010     | 0            | 0000 | 0000     | 9110   | 000    |
| Dr  | 01        | 3310     | 0            | 5001 | 7200     | 7310   | 000    |
| Cr  | 01        | 3310     | 0            | 0000 | 0000     | 9110   | 000    |
| Dr  | 01        | 3710     | 0            | 3550 | 7200     | 7310   | 000    |
| Cr  | 01        | 3710     | 0            | 0000 | 0000     | 9110   | 000    |
| Dr  | 01        | 0000     | 0            | 0000 | 0000     | 9110   | 000    |
| Cr  | 01        | 0000     | 0            | 0000 | 7200     | 7310   | 000    |

- Fund 01 is the General Fund.
- Resource 3010 is NCLB: Title I Basic Grants Low Income and Neglected; Resource 3310 is Special Ed: IDEA Basic Local Assistance; Resource 3710 is NCLB: Drug-Free Schools; and Resource 0000 is Unrestricted Resources.
- Project Year is not required in this example.
- Goal 5001 is Special Education—Unspecified; Goal 3550 is Community Day Schools.
- Function 7200 is Other General Administration.
- Object 7310 is Direct Support/Indirect Costs Charges.
- School is not required.

**Example 5:  Direct Documentation of Costs Transferred between Functions**
Many LEAs collect costs in a "cost pool" and then transfer out costs on the basis of documentation.  For example, the costs of a centralized copy center may be directly charged to user programs, a transfer that may require a change in function from that of the copy center to that of the service provided by the user program.

(a)  Initially, all the costs of the copy center may be collected in Function 7550, Printing, Publishing, and Duplicating, and Resource 0000, Unrestricted Resources.  These costs include salaries, benefits, supplies, services, and capital outlay.

| Fund/Group | Resource | Project Year | Goal | Function | Object | School |
|---|---|---|---|---|---|---|
| 01 | 0000 | 0 | 0000 | 7550 | 2400 | 000 |
| 01 | 0000 | 0 | 0000 | 7550 | 4300 | 000 |

- Fund 01 is the General Fund.
- Resource 0000 is Unrestricted Resources.
- Project Year is not applicable in this example.
- Goal 0000 is Undistributed because the district-wide copy center serves all programs.
- Function 7550 is Printing, Publishing, and Duplicating.
- Object 2400 is Clerical, Technical, and Office Staff Salaries, and Object 4300 is Materials and Supplies.
- School is not required.

(b)  Photocopies are made for a teacher in a GATE program, and the per copy cost is charged to the GATE resource.

| | Fund/Group | Resource | Project Year | Goal | Function | Object | School |
|---|---|---|---|---|---|---|---|
| Dr | 01 | 7140 | 0 | 1110 | 1000 | 5710 | 000 |
| Cr | 01 | 7140 | 0 | 0000 | 0000 | 9110 | 000 |
| Dr | 01 | 0000 | 0 | 0000 | 7550 | 9110 | 000 |
| Cr | 01 | 0000 | 0 | 0000 | 0000 | 5710 | 000 |

- Fund 01 is the General Fund.
- Resource 7140, Gifted and Talented Education, is charged with the cost of the copies. Resource 0000, Unrestricted Resources, is the source of these costs.
- Project Year is not applicable in this example.
- Goal 1100, Regular Education, is debited for the cost of the copies.
- Function 7550, Printing, Publishing, and Duplicating, is reduced, and Function 1000, Instruction, is charged with the cost.
- Object 5710 is Direct Costs for Transfer of Services, and Object 9110 is Cash in County Treasury.
- School is not required.

Balance sheet accounts (i.e., assets, liabilities, and fund balances) are classified in the Object field. If the transactions are from restricted revenues, the balance sheet accounts are also coded to the Resource field.

**Example 1: Unrestricted Transactions Resulting in Change to Fund Balance**
Cash is deposited in the county treasury for the K–12 revenue limit and expended for various functions and objects. At year-end, closing of the books results in an increase in the unrestricted fund balance.

(a)   To record receipt of property taxes:

|    | Fund/Group | Resource | Project Year | Goal | Function | Object | School |
|----|------------|----------|--------------|------|----------|--------|--------|
| Dr | 01 | 0000 | 0 | 0000 | 0000 | 9110 | 000 |
| Cr | 01 | 0000 | 0 | 0000 | 0000 | 8011 | 000 |

- Fund 01 is the General Fund.
- Resource 0000 is Unrestricted Resources.
- Project Year is not used in this example.
- Goal is generally not required for revenues; goal is not required for balance sheet accounts.
- Function is not required for revenues or balance sheet accounts.
- Object 8011 is Revenue Limit State Aid, and Object 9110 is Cash in County Treasury.
- School is not required.

During the year there are many transactions, such as the payment of nurses' salaries.

(b)   To record payment of salaries:

|    | Fund/Group | Resource | Project Year | Goal | Function | Object | School |
|----|------------|----------|--------------|------|----------|--------|--------|
| Dr | 01 | 0000 | 0 | 0000 | 3140 | 1200 | 000 |
| Dr | 01 | 0000 | 0 | 0000 | 3140 | 3101 | 000 |
| Dr | 01 | 0000 | 0 | 0000 | 3140 | 3401 | 000 |
| Cr | 01 | 0000 | 0 | 0000 | 0000 | 9110 | 000 |

- Fund 01 is the General Fund.
- Resource 0000 is Unrestricted Resources.
- Project Year is not used in this example.
- Goal 0000 is Undistributed because the nurses serve students of many goals.
- Function 3140 is Health Services; a function is not required for balance sheet accounts.
- Object 1200 is Certified Pupil Support Salaries; Object 3101 is STRS, Certificated; Object 3401 is Health and Welfare Benefits, Certificated; and Object 9110 is Cash in County Treasury.
- School is not required.

At year-end the books are closed and the ending fund balance has increased, changing the components of ending fund balance. The designation for economic uncertainties is increased, and the undesignated fund balance is reduced.

(c)  To record proper fund balance designations as of June 2002:

|     | Fund/Group | Resource | Project Year | Goal | Function | Object | School |
|-----|-----------|----------|--------------|------|----------|--------|--------|
| Dr  | 01        | 0000     | 0            | 0000 | 0000     | 9790   | 000    |
| Cr  | 01        | 0000     | 0            | 0000 | 0000     | 9770   | 000    |

- Fund 01 is the General Fund.
- Resource 0000 is Unrestricted Resources.
- Project Year is not used in this example.
- Goal is not required for balance sheet accounts.
- Function is not required for balance sheet accounts.
- Object 9770 is Designated for Economic Uncertainties, and Object 9790 is Undesignated/ Unappropriated Fund Balance.
- School is not required.


### Example 2:  Booking Components of Ending Fund Balance

At year-end the district records the reservations and designations of the ending fund balance when the books are closed (assuming that the excess of revenues over expenditures is automatically posted to Object 9790, Undesignated/Unappropriated Fund Balance):

|     | Fund/Group | Resource | Project Year | Goal | Function | Object | School |
|-----|-----------|----------|--------------|------|----------|--------|--------|
| Dr  | 01        | 0000     | 0            | 0000 | 0000     | 9790   | 000    |
| Cr  | 01        | 0000     | 0            | 0000 | 0000     | 9711   | 000    |
| Cr  | 01        | 0000     | 0            | 0000 | 0000     | 9712   | 000    |
| Cr  | 01        | 0000     | 0            | 0000 | 0000     | 9770   | 000    |
| Dr  | 01        | 7140     | 0            | 0000 | 0000     | 9790   | 000    |
| Cr  | 01        | 7140     | 0            | 0000 | 0000     | 9740   | 000    |
| Dr  | 01        | 7155     | 0            | 0000 | 0000     | 9790   | 000    |
| Cr  | 01        | 7155     | 0            | 0000 | 0000     | 9740   | 000    |

- Fund 01 is the General Fund.
- Resource 0000 is Unrestricted Resources; Resource 7140 is GATE; and Resource 7155 is Instructional Materials (Grades K–8).
- Project Year is not used in this example.
- Goal is not required for balance sheet accounts.
- Function is not required for balance sheet accounts.
- Object 9790 is Undesignated/Unappropriated Fund Balance; Object 9711 is Reserve for Revolving Cash; Object 9712 is Reserve for Stores; Object 9740 is Legally Restricted Fund balance; and Object 9770 is Designated for Economic Uncertainties.
- School is not required.

**Example 3:  Identifying Cash by Resource**

As discussed in the Resource section, those LEAs using financial systems that do not post the resource code to the balance sheet accounts during the year will need to make an additional entry at year-end to balance the restricted and unrestricted resources.

For example, during the year-end closing, the LEA posted deferred revenue to Resource 3010, NCLB: Title I; Resource 3330, Infant Discretionary; and Resource 5600, WIA.  In addition, the LEA posted restricted ending balance to Resource 7140, GATE; and Resource 7160, Instructional Materials.  The LEA must make the following year-end closing entry to separate out the cash represented by these amounts:

|    | Fund/Group | Resource | Project Year | Goal | Function | Object | School |
|----|------------|----------|--------------|------|----------|--------|--------|
| Dr | 01 | 3010 | 0 | 0000 | 0000 | 9110 | 000 |
| Dr | 01 | 3330 | 0 | 0000 | 0000 | 9110 | 000 |
| Dr | 01 | 5600 | 0 | 0000 | 0000 | 9110 | 000 |
| Dr | 01 | 7140 | 0 | 0000 | 0000 | 9110 | 000 |
| Dr | 01 | 7160 | 0 | 0000 | 0000 | 9110 | 000 |
| Cr | 01 | 0000 | 0 | 0000 | 0000 | 9110 | 000 |

- Fund 01 is the General Fund.
- Resource 3010 is NCLB: Title I; Resource 3330 is Infant Discretionary; Resource 5600 is WIA; Resource 7140 is GATE; Resource 7160 is Instructional Materials; and Resource 0000 is Unrestricted Resources.
- Project Year is not used in this example.
- Goal is not required for balance sheet accounts.
- Function is not required for balance sheet accounts.
- Object 9110 is Cash in County Treasury.
- School is not required.

The Cafeteria Fund (*Education Code* sections 38090–38093) is used to account separately for federal, state, and local resources to operate the food service program. Although the Cafeteria Fund is meant to be used for the LEA's food service program (*Education Code* sections 38091 and 38100), there may be other costs associated with providing food that are initially accounted for in this special revenue fund and subsequently transferred to other funds.

### Example 1: Meals for Field Trips

The basic purpose of the Cafeteria Fund is to account for the provision of meals to students. Meals served incidentally to LEA staff are included in the program. In this example, the cafeteria prepares sack lunches for students on field trips. The lunches are included in the daily count and qualify for federal and state reimbursement.

| Fund/Group | Resource | Project Year | Goal | Function | Object | School |
|---|---|---|---|---|---|---|
| 13 | 5310 | 0 | 0000 | 3700 | 4700 | 000 |

- Fund 13 is the Cafeteria Fund.
- Resource 5310 is Child Nutrition: School Programs.
- Project Year is not applicable in this example.
- Goal 0000 is Undistributed.
- Function 3700 is Food Services.
- Object 4700 is Food.
- School is not required.

### Example 2: Meals Funded with Other Than Child Nutrition Funding

If an LEA, such as a small rural district, does not participate in the federal /state Child Nutrition Program, the LEA uses unrestricted money to provide lunches.

| Fund/Group | Resource | Project Year | Goal | Function | Object | School |
|---|---|---|---|---|---|---|
| 01 | 0000 | 0 | 0000 | 3700 | 4700 | 000 |

- Fund 01 is the General Fund.
- Resource 0000 is Unrestricted Resources.
- Project Year is not applicable in this example.
- Goal 0000 is Undistributed.
- Function 3700 is Food Services.
- Object 4700 is Food.
- School is not required.

### Example 3: Field Trip Meals

Sometimes meals are provided as a part of a field trip.  If the lunches are not provided as a part of the School Nutrition Program and therefore are not paid for with Child Nutrition money and the meals are not counted for the Child Nutrition report, Function 3700 is no longer used.  The cost of the meals is the cost of the field trip.   For example, if local fundraisers provided the money to send a class on a field trip and part of the costs were for meals, the following coding would apply:

| Fund/Group | Resource | Project Year | Goal | Function | Object | School |
|---|---|---|---|---|---|---|
| 01 | 9010 | 0 | 1110 | 1000 | 4300 | 000 |

- Fund 01 is the General Fund.
- Resource 9010 is a local definition for the fundraising project.
- Project Year is not applicable in this example.
- Goal 1110 is Regular Education for a specific class taking the field trip.
- Function 1000 is Instruction.  The cost of the lunch is a part of the cost of the field trip.
- Object 4300 is Materials and Supplies; the lunches are part of the supplies needed for the field trip.
- School is not required.

This coding follows the example of the cost of transportation for field trips, where the cost of the bus is considered "Other Miles" and is not included in the cost of Home to School transportation.

### Example 4: Refreshments for Meetings

The cafeteria runs a catering business in addition to its school nutrition program.  The caterer provides pastries and coffee for the superintendent's cabinet meeting.  The cost is transferred from the Cafeteria Fund to the General Fund.

|  | Fund/Group | Resource | Project Year | Goal | Function | Object | School |
|---|---|---|---|---|---|---|---|
| Dr | 13 | 5310 | 0 | 0000 | 0000 | 9110 | 000 |
| Cr | 13 | 5310 | 0 | 0000 | 3700 | 5750 | 000 |
| Dr | 01 | 0000 | 0 | 0000 | 7100 | 5750 | 000 |
| Cr | 01 | 0000 | 0 | 0000 | 0000 | 9110 | 000 |

- Fund 13 is the Cafeteria Fund.  Fund 01 is the General Fund.
- Resource 5310 is Child Nutrition: School Programs, and Resource 0000 is Unrestricted Resources.
- Project Year is not applicable in this example.
- Goal 0000 is Undistributed.
- Function is not required for balance sheet accounts; Function 3700 is Food Services; and Function 7100 is Board and Superintendent.
- Object 9110 is Cash in County Treasury, and Object 5750 is Direct Costs for Interfund Services.  Here the direct cost of the food is transferred from the Child Nutrition Program to the General Fund as a cost of meeting supplies.
- School is not required.

**Example 5: Catering Services**
A cafeteria program may include a catering business that offers its services to outside customers, with profits supporting the Child Nutrition Program.  For example, a local organization contracts with the cafeteria to provide a dinner for local business people.  These costs are reported on the state report for Child Nutrition.  The cafeteria separates out the cost of food and supplies for the dinner and charges the Rotary Club for the service.

|    | Fund/Group | Resource | Project Year | Goal | Function | Object | School |
|----|-----------|----------|--------------|------|----------|--------|--------|
| Dr | 13        | 5310     | 0            | 8100 | 6000     | 5710   | 000    |
| Cr | 13        | 5310     | 0            | 0000 | 3700     | 5710   | 000    |
| Dr | 13        | 5310     | 0            | 0000 | 0000     | 9110   | 000    |
| Cr | 13        | 5310     | 0            | 0000 | 6000     | 8699   | 000    |

- Fund 13 is the Cafeteria Fund.
- Resource 5310 is Child Nutrition: School Programs.
- Project Year is not applicable in this example.
- Goal 0000 is Undistributed; Goal 8100 is Community Services.
- Function 6000 is Enterprise, and Function 3700 is Food Services. In this entry, the cost of the food, salaries, and other costs of the meal is transferred from the Food Services function to the Enterprise function.  The function field is not required when recording revenue, but in this example, the use of the function code in both revenue and expenditure might be helpful to analyze the profitability of the catering project in the Cafeteria Fund.
- Object 5710 is Direct Costs for Transfer of Services; Object 9110 is Cash in County Treasury; and Object 8699 is All Other Local Revenue.  This object is separate from food service sales (Object 8634).
- School is not required.


**Example 6:  Central Kitchen**
An LEA operates a central kitchen that provides meals not only for its own students but also for the students of several other school districts.  At the end of every month, the LEA separates out from the total costs of the central kitchen a prorated share based on the number of meals provided to its own students.

|    | Fund/Group | Resource | Project Year | Goal | Function | Object | School |
|----|-----------|----------|--------------|------|----------|--------|--------|
| Dr | 13        | 5310     | 0            | 0000 | 3700     | 5710   | 000    |
| Cr | 13        | 5310     | 0            | 7110 | 3700     | 5710   | 000    |

- Fund 13 is the Cafeteria Fund.
- Resource 5310 is the Child Nutrition: School Programs.
- Project Year is not applicable in this example.
- Goal 0000 is Undistributed; Goal 7110 is Nonagency–Educational because the contract is with other LEAs.
- Function 3700 is Food Services.
- Object 5710 is Direct Costs for Transfer of Services.
- School is not required.

## 204—Cafeteria

Each month the revenue received by the central kitchen is recorded as revenue from the other LEAs and revenue received by the district's own federal and state reimbursements and parent fees.

|    | Fund/Group | Resource | Project Year | Goal | Function | Object | School |
|----|-----------|----------|--------------|------|----------|--------|--------|
| Cr | 13 | 5310 | 0 | 7110 | 3700 | 8699 | 000 |
| Cr | 13 | 5310 | 0 | 0000 | 3700 | 8220 | 000 |
| Cr | 13 | 5310 | 0 | 0000 | 3700 | 8520 | 000 |
| Cr | 13 | 5310 | 0 | 0000 | 3700 | 8634 | 000 |
| Dr | 13 | 5310 | 0 | 0000 | 0000 | 9110 | 000 |

- Fund 13 is the Cafeteria Fund.
- Resource 5310 is the Child Nutrition: School Programs.
- Project Year is not applicable in this example.
- Goal 0000 is Undistributed, and Goal 7110 is Nonagency–Educational.
- Function 3700 is Food Services.
- Object 8699 is All Other Local Revenue; Object 8220 is federal Child Nutrition Programs; Object 8520 is state Child Nutrition Programs; Object 8634 is Food Service Sales; and Object 9110 is Cash in County Treasury.
- School is not required.

The LEA may use Fund 63, Other Enterprise Fund, to account for the central kitchen operation as a separate business. In this case, the LEA's Cafeteria Fund would purchase meals for its own students from the Enterprise Fund.

Small school districts of 500 ADA or less may find it advantageous to pool resources to provide programs that cannot be financed by one district alone.  The following example assumes that five small districts contract with the county office of education (COE) to use Tobacco-Use Prevention Education (TUPE) money to run an after-school program designed to reach students at risk of using tobacco.

**Example 1:  The COE receives TUPE grant money for administrative purposes.  The districts receive TUPE grant money for program purposes.**

(a)  The following entries record the receipt of the TUPE grants.

For the COE:

| Fund/Group | Resource | Project Year | Goal | Function | Object | School |
|---|---|---|---|---|---|---|
| 01 | 6680 | 0 | 0000 | 0000 | 8590 | 000 |

- Fund 01 is the County School Service Fund.
- Resource 6680 is TUPE: COE Administrative Grants.
- Project Year is not applicable in this example.
- Goal is not required for revenue.
- Function is not required for revenue.
- Object 8590 is All Other State Revenue.
- School is not required.

For the districts:

| Fund/Group | Resource | Project Year | Goal | Function | Object | School |
|---|---|---|---|---|---|---|
| 01 | 6660 | 0 | 0000 | 0000 | 8590 | 000 |
| 01 | 6670 | 0 | 0000 | 0000 | 8590 | 000 |

- Fund 01 is the General Fund.
- Resource 6660 is TUPE: Elementary Grades 4–8, and Resource 6670 is TUPE: High School Competitive Grants.
- Project Year is not applicable in this example.
- Goal is not required for revenues.
- Function is not required for revenues.
- Object 8590 is All Other State Revenue.
- School is not required.

(b)  According to the contractual agreement, the districts pay the COE to operate the Tobacco-Use Prevention Education program.

For the COE, the revenue is booked as a local restricted resource:

| Fund/Group | Resource | Project Year | Goal | Function | Object | School |
|---|---|---|---|---|---|---|
| 01 | 9150 | 0 | 0000 | 0000 | 8677 | 000 |

Use of an *italicized* account code is optional

## 205—Cooperative Projects

- Fund 01 is the County School Service Fund.
- Resource 9150 is a unique code the COE is using for the Friday Night Live contract with an LEA. Project Year is not applicable in this example.
- Goal is not required for revenue.
- Function is not required for revenue.
- Object 8677 is Interagency Services Between LEAs.
- School is not required.

For districts the expenditure fulfills the reporting requirement to CDE; the district, as grantee, is responsible for reporting expenditures.

| Fund/Group | Resource | Project Year | Goal | Function | Object | School |
|---|---|---|---|---|---|---|
| 01 | 6660 | 0 | 0000 | 4000 | 5800 | 000 |
| 01 | 6670 | 0 | 0000 | 4000 | 5800 | 000 |

- Fund 01 is the district's General Fund.
- Resource 6660 is TUPE: Elementary Grades 4–8, and Resource 6670 is TUPE: High School Competitive Grants.
- Project Year is not applicable in this example.
- Goal 0000 is Undistributed. If the TUPE program serves only K–12 students, the goal might be Goal 1110, Regular Education, K–12.
- Function 4000 is Ancillary Services.
- Object 5800 is Professional/Consulting Services and Operating Expenditures.
- School is not required.

(c) The COE operates the Friday Night Live program.

The COE then expends the TUPE funding:

| Fund/Group | Resource | Project Year | Goal | Function | Object | School |
|---|---|---|---|---|---|---|
| 01 | 9150 | 0 | 7110 | 4000 | 1200 | 000 |

- Fund 01 is the County School Service Fund.
- Resource 9150 is a unique code the COE is using for the Friday Night Live contract.
- Project Year is not applicable in this example.
- Goal 7110 is Nonagency–Educational. The COE is using the money of another entity to provide services for that entity.
- Function 4000 is Ancillary Services.
- Object 1200 is Certificated Pupil Support Salaries.
- School is not required.

The districts have no further entries because they have spent their grants.

While the COE spends its TUPE money administering the districts' TUPE program, the COE resource is retained.

| Fund/Group | Resource | Project Year | Goal | Function | Object | School |
|---|---|---|---|---|---|---|
| 01 | 6680 | 0 | 8600 | 2100 | 2400 | 000 |

- Fund 01 is the County School Service Fund.
- Resource 6680 is TUPE: COE Administrative Grants.
- Project Year is not applicable in this example.
- Goal 8600 is County Service to Districts.
- Function 2100 is Supervision of Instruction.
- Object 2400 is Clerical, Technical, and Office Staff Salaries.
- School is not required.

(d) At year-end the full funding has not been expended and there is carryover into the next year. The terms of the contract with the districts allow carryover only into the following year; money not spent in the following year must be returned to the districts.

The COE books deferred revenue as follows:

| Fund/Group | Resource | Project Year | Goal | Function | Object | School |
|---|---|---|---|---|---|---|
| 01 | 9150 | 0 | 0000 | 0000 | 9650 | 000 |

- Fund 01 is the County School Service Fund.
- Resource 9150 is a unique code the COE is using for the Friday Night Live contract.
- Project Year is not applicable in this example.
- Goal is not required for balance sheet accounts.
- Function is not required for balance sheet accounts.
- Object 9650 is Deferred Revenue.
- School is not required.

The districts have no further entries because they have spent their grants.

# 205—Cooperative Projects

County offices of education (i.e., county superintendent of schools offices) perform various activities in support of school districts or other educational entities, including, but not limited to, the following:

  a. Coordination activities and professional services, such as supervision of instruction, health, guidance, attendance, and school library services (*Education Code* Section 1700 et seq.)
  b. Financial services (*Education Code* Section 41200 et seq.)
  c. Credential services (*Education Code* Section 44330)

The following examples of coding address the unique roles of county offices of education (COEs).

**Example 1:  COE financial office processes districts' payroll.**

| Fund/Group | Resource | Project Year | Goal | Function | Object | School |
|---|---|---|---|---|---|---|
| 01 | 0000 | 0 | 8600 | 7200 | 2400 | 000 |

- Fund 01 is the County School Service Fund (or General Fund).
- Resource 0000 is for Unrestricted Resources.
- Project Year is not required in this example.
- Goal 8600 is County Services to Districts.
- Function 7200 is Other General Administration.
- Object 2400 is Clerical, Technical, and Office Staff Salaries.
- School is not required.

**Example 2:  COE processes internal payroll.**

| Fund/Group | Resource | Project Year | Goal | Function | Object | School |
|---|---|---|---|---|---|---|
| 01 | 0000 | 0 | 0000 | 7200 | 2400 | 000 |

- Fund 01 is the County School Service Fund (or General Fund).
- Resource 0000 is Unrestricted Resources.
- Project Year is not required in this example.
- Goal 0000 is Undistributed.
- Function 7200 is Other General Administration.
- Object 2400 is Clerical, Technical, and Office Staff Salaries.
- School is not required.

**Example 3:  COE reviews district budget for solvency and for compliance with state Criteria and Standards (*Education Code* Section 42127 et seq).**

| Fund/Group | Resource | Project Year | Goal | Function | Object | School |
|------------|----------|--------------|------|----------|--------|--------|
| 01 | 0500 | 0 | 8600 | 7200 | 2300 | 000 |

- Fund 01 is the County School Service Fund (or General Fund).
- Resource 0500 is a locally defined resource to track COE Fiscal Oversight funding.
- Project Year is not required in this example.
- Goal 8600 is County Services to Districts.
- Function 7200 is Other General Administration.
- Object 2300 is Classified Supervisors' and Administrators' Salaries.
- School is not required.

**Example 4:  COE administers Tobacco Use Prevention Education (TUPE) program for school districts in the county.**

| Fund/Group | Resource | Project Year | Goal | Function | Object | School |
|------------|----------|--------------|------|----------|--------|--------|
| 01 | 6680 | 0 | 8600 | 2100 | 1200 | 000 |

- Fund 01 is the County School Service Fund (or General Fund).
- Resource 6680 is TUPE: COE Administrative Grants.
- Project Year is not required in this example.
- Goal 8600 is County Services to Districts.  The role of the COE is administrative and not directly involved with the instruction of students.  The districts themselves are implementing the TUPE curriculum.
- Function 2100 is Supervision of Instruction because the COE is assisting the districts with their TUPE program; it is not a part of the COE's own administration.
- Object 1200 is Certificated Pupil Support Salaries.
- School is not required.

**Example 5:  COE holds annual math, spelling, and language arts contests for the school districts' students.**

| Fund/Group | Resource | Project Year | Goal | Function | Object | School |
|------------|----------|--------------|------|----------|--------|--------|
| 01 | 0000 | 0 | 4900 | 4000 | 4300 | 000 |

- Fund 01 is the County School Service Fund (or General Fund).
- Resource 0000 is Unrestricted Resources.
- Project Year is not required in this example.
- Goal 4900 is Other Supplementary Education (county office).  This goal is for services the COE provides directly to students of other districts who are not on COE attendance rolls.
- Function 4000 is Ancillary Services.
- Object 4300 is Materials and Supplies.
- School is not required.

**Example 6: COE employs nurses who go to Direct Service Districts to provide nursing care to the students.**

| Fund/Group | Resource | Project Year | Goal | Function | Object | School |
|---|---|---|---|---|---|---|
| 01 | 0000 | 0 | 8600 | 3140 | 1200 | 000 |

- Fund 01 is the County School Service Fund (or General Fund).
- Resource 0000 is Unrestricted Resources.
- Project Year is not required in this example.
- Goal 8600 is County Services to Districts.
- Function 3140 is Health Services.
- Object 1200 is Certificated Pupil Support Salaries.
- School is not required.

**Example 7: COE has an assistant superintendent in charge of curriculum who works with LEA teachers and curricula experts to coordinate programs between school districts. This superintendent is not primarily involved with COE general administration.**

| Fund/Group | Resource | Project Year | Goal | Function | Object | School |
|---|---|---|---|---|---|---|
| 01 | 0000 | 0 | 8600 | 2100 | 1300 | 000 |

- Fund 01 is the County School Service Fund (or General Fund).
- Resource 0000 is Unrestricted Resources.
- Project Year is not required in this example.
- Goal 8600 is County Services to Districts.
- Function 2100 is Supervision of Instruction; the COE is assisting the school districts with their instructional programs.
- Object 1300 is Certificated Supervisors' and Administrators' Salaries.
- School is not required.

**Example 8: COE receives funding to operate a county community school based on the attendance of COE students.**

| Fund/Group | Resource | Project Year | Goal | Function | Object | School |
|---|---|---|---|---|---|---|
| 01 | 2420 | 0 | 3500 | 1000 | 1100 | 000 |

- Fund 01 is the County School Service Fund (or General Fund).
- Resource 2420 is County Community Schools.
- Project Year is not applicable in this example.
- Goal 3500 is County Community Schools.
- Function 1000 is Instruction.
- Object 1100 is Teachers' Salaries.
- School is not required.

## 206—County Offices of Education

**Example 9:  COE receives funding to operate a Cal-SAFE County Classroom Program.**

| Fund/Group | Resource | Project Year | Goal | Function | Object | School |
|:---:|:---:|:---:|:---:|:---:|:---:|:---:|
| 01 | 6093 | 0 | 3100 | 1000 | 1100 | 000 |

- Fund 01 is the County School Service Fund (or General Fund).
- Resource 6093 is Cal-SAFE County Classroom Program.
- Project Year is not applicable in this example.
- Goal 3100 is Alternative Schools.
- Function 1000 is Instruction.
- Object 1100 is Teachers' Salaries.
- School is not required.

**The Forest Reserve funding is an example of pass-through revenue.**

**Example 1.  Receipt and distribution of funds by the recipient LEA**
In this example, the county office of education (COE) receives the Forest Reserve money from the federal government.  It then allocates the Forest Reserve money in a predetermined pattern to the school districts and to its own County School Service Fund (CSSF).

First, the COE deposits $100,000 of federal Forest Reserve money into its Forest Reserve Fund, a special revenue fund.  The transaction is coded as follows:

| Fund/Group | Resource | Project Year | Goal | Function | Object | School | |
|---|---|---|---|---|---|---|---|
| 16 | 0000 | 0 | 0000 | 0000 | 8260 | 000 | Received $10,000 for COE |
| 16 | 0000 | 0 | 0000 | 0000 | 8287 | 000 | Received $90,000 for LEAs |

- Fund 16 is the Forest Reserve Fund.
- Resource 0000 is Unrestricted Resources.  The money is restricted by the fund itself.
- Project Year is not applicable in this example.
- Goal 0000 is Undistributed.
- Function is not required for revenue.
- Object 8260 is Forest Reserve Funds, and Object 8287 is Pass-through Revenues from Federal Sources.
- School is not required.

Then the COE allocates the money to all the participating school districts and to the CSSF according to the agreement with the county.

| Fund/Group | Resource | Project Year | Goal | Function | Object | School | |
|---|---|---|---|---|---|---|---|
| 16 | 0000 | 0 | 0000 | 9000 | 7211 | 000 | $90,000 transferred to districts |
| 16 | 0000 | 0 | 0000 | 9000 | 7619 | 000 | $10,000 transferred to CSSF |

- Fund 16 is the Forest Reserve Fund.
- Resource 0000 is Unrestricted Resources.  The money is restricted by the fund itself.
- Project Year is not applicable in this example.
- Goal 0000 is Undistributed.
- Function 9000 is Other Outgo.  More specifically, Function 9200, Transfer Between Agencies, may be used for the transfer of money to the school districts; and Function 9300, Interfund Transfers, may be used to transfer the COE portion to its CSSF.
- Object 7211 is Transfer of Pass-through Revenues to Districts, and Object 7619 is Other Authorized Interfund Transfers Out.
- School is not required.

## 207—Forest Reserve

The Forest Reserve Fund now reflects the authorized transaction of splitting the Forest Reserve Funds among participating LEAs. The following entry into the CSSF reflects the receipt of its budgeted share of the Forest Reserve money, which is unrestricted but may have a locally defined resource code to distinguish the source of the money and how it was spent.

| Fund/Group | Resource | Project Year | Goal | Function | Object | School | |
|---|---|---|---|---|---|---|---|
| 01 | 0650 | 0 | 0000 | 0000 | 8919 | 000 | $10,000 transfer from Forest Reserve Fund to CSSF |

- Fund 01 is the County School Service Fund.
- Resource 0650 is a locally defined unrestricted resource used by the COE to track its Forest Reserve money.
- Project Year is not applicable in this example.
- Goal 0000 is Undistributed.
- Function is not required for revenue.
- Object 8919 is Other Authorized Interfund Transfers In.
- School is not required.

Finally, the COE chooses to spend half its own Forest Reserve Funds to supplement the school districts' GATE programs. The transaction would be coded as follows:

| Fund/Group | Resource | Project Year | Goal | Function | Object | School |
|---|---|---|---|---|---|---|
| 01 | 0650 | 0 | 0000 | 9000 | 7281 | 000 |

- Fund 01 is the County School Service Fund.
- Resource 0650 is a locally defined unrestricted resource used by the COE to track its Forest Reserve money.
- Project Year is not applicable in this example.
- Goal 0000 is Undistributed.
- Function 9000 is Other Outgo. More specifically, Function 9200, Transfers between Agencies, may be used.
- Object 7281 is All Other Transfers to Districts.
- School is not required.

**Example 2: Receipt and Expenditure of Funds by Subrecipient LEA**

First, the school districts receive their share of Forest Reserve money from their COE. They may use the same locally defined unrestricted resource to identify the source of the money as follows:

| Fund/Group | Resource | Project Year | Goal | Function | Object | School | |
|---|---|---|---|---|---|---|---|
| 01 | 0650 | 0 | 0000 | 0000 | 8260 | 000 | $90,000 receipt of Forest Reserve from COE |

- Fund 01 is the General Fund.
- Resource 0650 is a locally defined unrestricted resource for Forest Reserve money.
- Project Year is not applicable in this example.
- Goal 0000 is Undistributed.
- Function is not required for revenue.
- Object 8260 is Forest Reserve Funds.
- School is not required.

Second, they receive the COE's donation toward their GATE program and code it as follows:

| Fund/Group | Resource | Project Year | Goal | Function | Object | School | |
|---|---|---|---|---|---|---|---|
| 01 | 7140 | 0 | 0000 | 0000 | 8782 | 000 | $5,000 transfer from COE |

- Fund 01 is the General Fund.
- Resource 7140 is Gifted and Talented Education.
- Project Year is not applicable in this example.
- Goal 0000 is Undistributed.
- Function is not required for revenue.
- Object 8782 is All Other Transfers from County Offices. Although this money is Forest Reserve money, it is not the entitlement of the district but is a transfer from the COE out of the COE's entitlement.
- School is not required.

ROC/P programs have been structured in a variety of ways in California to meet local needs for vocational education. The following examples of coding address the interagency agreements between LEAs.

**Example 1:  Both a county office of education (COE) and local school districts receive funding based on Form Y of the Revenue Limit report to CDE.**

| Fund/Group | Resource | Project Year | Goal | Function | Object | School |
|---|---|---|---|---|---|---|
| 01 | 6350 | 0 | 0000 | 0000 | 8311 | 000 |

- Fund 01 is the General Fund or the County School Service Fund.
- Resource 6350 is ROC/P Apportionment.
- Project Year is not applicable in this example.
- Goal is not required for revenue.  Goal 6000, Regional Occupational Center/Program, may be used for local purposes.
- Function is not necessary for revenue.
- Object 8311 is Other State Apportionment-Current Year.
- School is not required.

**Example 2:  The COE contracts with a school district to operate an auto body class for the county ROC/P program.**

(a)  The COE makes the following entry to record payment of the contract for services.  The COE retains full administrative and financial authority over the program.

| Fund/Group | Resource | Project Year | Goal | Function | Object | School |
|---|---|---|---|---|---|---|
| 01 | 6350 | 0 | 6150 | 1000 | 5800 | 000 |

- Fund 01 is the County School Service Fund.
- Resource 6350 is ROC/P Apportionment.
- Project Year is not applicable in this example.
- Goal 6150 is a locally defined classification for trade and industry classes.  LEAs have the option of tracking ROC/P subject matter in the Goal field as long as it rolls up to Goal 6000 when data are submitted to CDE at year-end.
- Function 1000 is Instruction.
- Object 5800 is Professional/Consulting Services and Operating Expenditures.
- School is not required.

(b)  The school district makes the following entry to record receipt of funds to operate the shop class.  The district is performing a contract service on behalf of the COE and does not report the ADA as its own.

| Fund/Group | Resource | Project Year | Goal | Function | Object | School |
|---|---|---|---|---|---|---|
| 01 | 9635 | 0 | 0000 | 0000 | 8677 | 000 |

- Fund 01 is the district's General Fund.
- Resource 9635 is a unique code the district is using for its ROC/P contract.  This and other local restricted resources must roll up to Resource 9010, Other Local, when data are submitted to CDE.
- Project Year is not applicable in this example.
- Goal is not required for revenue.
- Function is not required for revenue.

- Object 8677 is Interagency Services Between LEAs.
- School is not required.

(c) The district expenditures for the shop class are coded as follows:

| Fund/Group | Resource | Project Year | Goal | Function | Object | School |
|---|---|---|---|---|---|---|
| 01 | 9635 | 0 | 7110 | 1000 | 1100 | 000 |

- Fund 01 is the district's General Fund.
- Resource 9635 is the district's code for the contract.
- Project Year is not applicable in this example.
- Goal 7110 is Nonagency–Educational. The district's expenditures are made on behalf of the COE, which retains the final responsibility for the ROC/P class.
- Function 1000 is Instruction.
- Object 1100 is Teachers' Salaries.
- School is not required.

**Example 3: The participating school districts transfer their apportionments to the Joint Powers Agreement (JPA) operating the ROC/P. Per *Education Code* Section 52301, school districts may form a JPA to operate ROC/Ps and the *Education Code* section allows the JPA to receive the apportionments through the participating districts.**

(a) The districts transfer their apportionment to the JPA.

| Fund/Group | Resource | Project Year | Goal | Function | Object | School |
|---|---|---|---|---|---|---|
| 01 | 6350 | 0 | 0000 | 9000 | 7223 | 000 |

- Fund 01 is the General Fund.
- Resource 6350 is ROC/P Apportionment.
- Project Year is not applicable in this example.
- Goal 0000 is Undistributed. Goal 6000, ROC/P, may be used for local identification.
- Function 9000 is Other Outgo. (An optional function is 9200, Transfers Between Agencies.)
- Object 7223 is Transfers of Apportionments to JPAs.
- School is not required.

(b) The JPA receives the transfer of apportionment and makes the following entry in its ledger:

| Fund/Group | Resource | Project Year | Goal | Function | Object | School |
|---|---|---|---|---|---|---|
| 01 | 6350 | 0 | 0000 | 0000 | 8791 | 000 |

- Fund 01 is the JPA's General Fund.
- Resource 6350 is ROC/P Apportionment.
- Project Year is not applicable in this example.
- Goal is not required for revenue.
- Function is not required for revenue.
- Object 8791 is Transfers of Apportionments from Districts.
- School is not required.

(c)  The JPA operates all of the ROC/P classes with many types of expenditures.  For example, the JPA operates an auto body class and has designated locally defined goals to track each of the classes as follows:

| Fund/Group | Resource | Project Year | Goal | Function | Object | School |
|---|---|---|---|---|---|---|
| 01 | 6350 | 0 | 6150 | 1000 | 1100 | 000 |

- Fund 01 is the JPA's General Fund.
- Resource 6350 is ROC/P Apportionment.
- Project Year is not applicable in this example.
- Goal 6150 is the JPA's code for trade and industry classes.
- Function 1000 is Instruction.
- Object 1100 is Teachers' Salaries.
- School is not required.

Special education budgets are complex and of great interest to the public, both locally and statewide. Federal and state legislation during 1998 has changed the way special education local planning areas (SELPAs) and local educational agencies (LEAs) will be receiving and accounting for the special education programs.

As of 1998, *Education Code* Section 56205 (b)(1) requires that a special education budget shall separately identify the following elements:

(1)  The apportionment received by the LEA in accordance with the allocation plan adopted by the SELPA.  The state funding is identified in the Resource field with a specific revenue object code.
(2)  The administrative costs of the plan.  (These costs are identified by the Function field.)
(3)  The cost of special education services to pupils with severe disabilities and low-incidence disabilities.  (This population is identified by the Goal field.)
(4)  The cost of special education services to pupils with nonsevere disabilities.  (This population is identified by the Goal field.)
(5)  The cost of supplemental aids and services provided to meet the individual needs of pupils placed in regular education classrooms and environments.  (The cost of these aids and services, which may be provided to both severe and nonsevere students, is tracked in the Function field.)
(6)  Regionalized operations and services and direct instructional support by program specialists in accordance with Article 6, *Program Specialists and Administration of Regionalized Operations and Services.*  (These costs are tracked in the Goal field for regionalized operations and in the Function field for instructional services.)
(7)  The use of property taxes allocated to the SELPA pursuant to *Education Code* Section 2572.  (The amount of property taxes allocated to the SELPA is reported in the Resource field and identified with a specific revenue object code.)

Below are some examples of expenditures incurred to educate special education students.  The examples show how the costs should be coded in SACS.

**Example 1:  An employee split between functions**
A teaching assistant is hired to work half a day in a separate class for severely disabled children and half a day in assisting a severely disabled student who has been mainstreamed in a regular education class.

Because the teaching assistant is working solely with severely disabled students, his salary has one goal.  However, his work is split between two functions.

| Fund/Group | Resource | Project Year | Goal | Function | Object | School |
|---|---|---|---|---|---|---|
| 01 | 6500 | 0 | 5750 | 1110 | 2100 | 000 |
| 01 | 6500 | 0 | 5750 | 1130 | 2100 | 000 |

- Fund 01 is the General Fund.
- Resource 6500 is Special Education.
- Project Year is not required in this example.
- Goal 5750 is Special Education, Ages 5–22 Severely Disabled.

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- Function 1110, Special Education: Separate Classes, captures the costs of running a separate class for severely disabled students; and Function 1130, Special Education: Supplemental Aids and Services in Regular Classrooms, captures the costs of providing a teaching assistant for a student who attends a regular education class.
- Object 2100 is Instructional Aides' Salaries.
- School is not required.


**Example 2:  An employee split between goals**
An adaptive physical education teacher is hired to provide physical education classes to special education students attending regular education classes on several campuses and to students attending special education separate classes.  Some of the students are categorized as severely disabled, and some are nonseverely disabled.  The teacher's salary is split between two goals because she serves two populations of students.  The salary may be coded to a single goal and then divided at year-end based on the documented hours spent with each population.

| Fund/Group | Resource | Project Year | Goal | Function | Object | School |
|---|---|---|---|---|---|---|
| 01 | 6500 | 0 | 5750 | 1190 | 1100 | 000 |
| 01 | 6500 | 0 | 5770 | 1190 | 1100 | 000 |

- Fund 01 is the General Fund.
- Resource 6500 is Special Education.
- Project Year is not required in this example.
- Goal 5750 is Special Education, Ages 5–22 Severely Disabled, and Goal 5770 is Special Education, Ages 5–22 Nonseverely Disabled.  The salary may be coded to one goal during the year and split between the goals at year-end when the ratio of service to severely and nonseverely disabled students is documented.
- Function 1190, Special Education:  Other Specialized Instructional Services.  This function includes pullout services that may be provided to students who are normally found in separate classes or regular education classes.
- Object 1100 is Teachers' Salaries.
- School is not required.


**Example 3: Special education students in regular education classrooms**
A student who has a low-incidence disability (deafness) has been placed in a juvenile court school.  His individualized educational program (IEP) necessitates the presence of an interpreter and the services of a resource specialist.  The following services are being provided by different resources and for different populations.  The cost of the teacher in the juvenile court school is chargeable to regular education; the cost of the interpreter and the resource specialist is chargeable to special education.

| Fund/Group | Resource | Project Year | Goal | Function | Object | School |
|---|---|---|---|---|---|---|
| 01 | 2410 | 0 | 3600 | 1000 | 1100 | 000 |

- Fund 01 is the County School Service Fund.
- Resource 2410 is the state apportionment that funds juvenile court schools.  These funds are used to pay for the juvenile court teacher.
- Project Year is not required in this example.
- Goal 3600 identifies the costs of educating juvenile court school students.

- Function 1000 is Instruction.  General education teachers are coded to the general population they are contracted to teach.  A special education student who attends a regular education class is considered a part of the general education class.
- Object 1100 is Teachers' Salaries.
- School is not required.

The cost of the interpreter assigned to a student with an IEP and who has been placed in the juvenile court classroom is coded as follows:

| Fund/Group | Resource | Project Year | Goal | Function | Object | School |
|---|---|---|---|---|---|---|
| 01 | 6500 | 0 | 5750 | 1130 | 2100 | 000 |

- Fund 01 is the County School Service Fund.
- Resource 6500 is Special Education.
- Project Year is not applicable in this example.
- Goal 5750 is Special Education, Ages 5–22 Severely Disabled. (Students with a low-incidence disability are classified as severely disabled.  The LEA may have locally defined goals to separate low-incidence disabilities from other severe disabilities if management needs to identify these costs locally.)
- Function 1130 is Special Education: Supplemental Aids and Services in Regular Classrooms.
- Object 2100 is Instructional Aides' Salaries. (The LEA may have locally defined objects if it is important to track the costs of interpreters separately from those of classroom assistants.)
- School is not required.

The cost of the resource specialist who works with this student on a pullout basis is as follows:

| Fund/Group | Resource | Project Year | Goal | Function | Object | School |
|---|---|---|---|---|---|---|
| 01 | 6500 | 0 | 5750 | 1120 | 1100 | 000 |

- Fund 01 is the County School Service Fund.
- Resource 6500 is Special Education.
- Project Year is not applicable in this example.
- Goal 5750 is Special Education, Ages 5–22 Severely Disabled. (Students with a low-incidence disability are classified as severely disabled students.  The LEA may have locally defined goals to separate these two types of severe conditions if the information is important locally.)
- Function 1120 is Special Education: Resource Specialist Instruction.  This is a resource specialist who works directly with the students in an instructional setting.
- Object 1100 is Teachers' Salaries.
- School is not required.

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**Example 4:  Special education students in ROC/P**
Some special education students are in transition, going from the special education K–12 program into the adult work world.  The student has been placed in an ROC/P class, where he receives training at a fast-food business supplemented with ROC/P classes.  The cost of the ROC/P instructor is coded as follows:

| Fund/Group | Resource | Project Year | Goal | Function | Object | School |
|------------|----------|--------------|------|----------|--------|--------|
| 01 | 6360 | 0 | 6000 | 1000 | 1100 | 000 |

- Fund 01 is the school district's General Fund.
- Resource 6360 is apportionment provided for Pupils with Disabilities Attending ROC/P.
- Project Year is not applicable in this example.
- Goal 6000 is ROC/P programs for Regional Occupational Center/Program.
- Function 1000 is Instruction.
- Object 1100 is Teachers' Salaries.
- School is not required.

The cost of a teaching assistant assigned to the special education student to enable him to participate in the ROC/P class is coded as follows:

| Fund/Group | Resource | Project Year | Goal | Function | Object | School |
|------------|----------|--------------|------|----------|--------|--------|
| 01 | 6500 | 0 | 5770 | 1130 | 2100 | 000 |

- Fund 01 is the school district's General Fund.
- Resource 6500 is Special Education.
- Project Year is not applicable in this example.
- Goal 5770 is Special Education, Ages 5–22 Nonseverely Disabled.
- Function 1130 is Special Education: Supplemental Aids and Services in Regular Classrooms.
- Object 2100 is Instructional Aides' Salaries.
- School is not required.

**Example 5:  Instruction provided on a pullout basis**
An orientation and mobility (O & M) specialist is hired to teach students how to travel safely and independently around the school and in the community.  She works with blind students who attend regular classes at the elementary and high schools.  This service is provided on a pullout basis.  The O & M specialist has a teaching credential and is trained to teach special education students.

| Fund/Group | Resource | Project Year | Goal | Function | Object | School |
|------------|----------|--------------|------|----------|--------|--------|
| 01 | 6500 | 0 | 5750 | 1190 | 1100 | 000 |

- Fund 01 is the General Fund.
- Resource 6500 is Special Education.
- Project Year is not applicable in this example.
- Goal 5750 is Special Education, Ages 5–22 Severely Disabled, which includes students with a low-incidence disability.
- Function 1190, Special Education: Other Specialized Instructional Services, is an instructional pullout service that may be offered outside the regular education class.
- Object 1100 is Teachers' Salaries.
- School is not required.

**Example 6:  Pupil services**

A counselor is hired to provide behavior management services, a systematic implementation of procedures designed to promote lasting, positive changes in the student's behavior, resulting in greater access to a variety of community settings, social contacts, and public events, and placement in the least restrictive environment. The counselor is a licensed professional with a certificate for school service.  The salary is coded as follows:

| Fund/Group | Resource | Project Year | Goal | Function | Object | School |
|------------|----------|--------------|------|----------|--------|--------|
| 01 | 6500 | 0 | 5750 | 3110 | 1200 | 000 |

- Fund 01 is the General Fund.
- Resource 6500 is Special Education.
- Project Year is not applicable in this example.
- Goal 5750 is Special Education, Ages 5–22 Severely Disabled.
- Function 3110 is Guidance and Counseling Services.
- Object 1200 is Certificated Pupil Support Salaries.
- School is not required.

The student receiving this behavior modification training is in a separate class for severely emotionally disabled (SED) students or autistic students.  This class is taught by a special education teacher who works with the counselor to apply the behavior modification procedures in the classroom.  The cost of the teacher is as follows:

| Fund/Group | Resource | Project Year | Goal | Function | Object | School |
|------------|----------|--------------|------|----------|--------|--------|
| 01 | 6500 | 0 | 5750 | 1110 | 1100 | 000 |

- Fund 01 is the General Fund.
- Resource 6500 is Special Education.
- Project Year is not applicable in this example.
- Goal 5750 is Special Education, Ages 5–22 Severely Disabled.
- Function 1110 is Special Education: Separate Classes.
- Object 1100 is Teachers' Salaries.
- School is not required.

**Example 7:  Federal resources**

(a) A Workability grant is used to pay a classified assistant to work with students who are in transition from K–12 special education into gainful employment in local business establishments.

| Fund/Group | Resource | Project Year | Goal | Function | Object | School |
|------------|----------|--------------|------|----------|--------|--------|
| 01 | 3405 | 9 | 5750 | 1190 | 2100 | 000 |

- Fund 01 is the school district's General Fund.
- Resource 3405 is Special Education: Workability I.
- Project Year refers to this grant, which ends in the year 1998-99 (September 30, 1999).
- Goal 5750 is Special Education, Ages 5–22 Severely Disabled.
- Function 1190 is Special Education:  Other Specialized Instructional Services.  The student has been transferred from a regular or separate classroom to a work site or other setting.
- Object 2100 is Instructional Aides' Salaries.
- School is not required.

(b) An LEA uses federal funds for students with low-incidence disabilities to purchase assistive technology for a student who will use the computer to communicate with teachers and peers in a regular education classroom.

| Fund/Group | Resource | Project Year | Goal | Function | Object | School |
|---|---|---|---|---|---|---|
| 01 | 3360 | 8 | 5750 | 1130 | 6400 | 000 |

- Fund 01 is the General Fund.
- Resource 3360 is Special Education: IDEA Low-Incidence Entitlement.
- Project Year refers to this grant, which ends in the year 1997-98 (September 30, 1998).
- Goal 5750 is Special Education, Ages 5–22 Severely Disabled.
- Function 1130 is Special Education:  Supplemental Aids and Services in Regular Classrooms.  The equipment is an aid to the student in a regular classroom.
- Object 6400 is Equipment.
- School is not required.

**Example 8:  For the special education programs, a county office as the SELPA Administrative Unit (AU) receives the apportionment and transfers it to participating LEAs**.

(a) As the SELPA AU, the county office records the receipt of the state apportionment.

| Fund/Group | Resource | Project Year | Goal | Function | Object | School |
|---|---|---|---|---|---|---|
| 01 | 6500 | 0 | 5001 | 0000 | 8311 | 000 |

- Fund 01 is the County School Service Fund.
- Resource 6500 is Special Education.
- Project Year is not applicable in this example.
- Goal 5001 is Special Education—Unspecified.  A Special Education goal is required for Special Education revenue.
- Function is not necessary for revenue.
- Object 8311 is Other State Apportionment-Current Year.
- School is not required.

(b) The SELPA AU distributes the apportionment to the participating LEAs.

| Fund/Group | Resource | Project Year | Goal | Function | Object | School |
|---|---|---|---|---|---|---|
| 01 | 6500 | 0 | 5001 | 9000 | 7221 | 000 |
| 01 | 6500 | 0 | 5001 | 9000 | 7222 | 000 |
| 01 | 6500 | 0 | 5001 | 9000 | 7223 | 000 |

- Fund 01 is the County School Service Fund.
- Resource 6500 is Special Education.
- Project Year is not applicable in this example.
- Goal 5001 is Special Education—Unspecified.
- Function 9000 is Other Outgo.  For more details, the optional Function 9200, Transfers Between Agencies, may be used.
- Object 7221 is Transfer of Apportionments to Districts; Object 7222 is Transfer of Apportionments to County Offices; and Object 7223 is Transfer of Apportionments to JPAs.
- School is not required.

(c) The member LEA (in this case a school district) makes the following entry to record receipt of apportionment from the SELPA AU (in this case a county office):

| Fund/Group | Resource | Project Year | Goal | Function | Object | School |
|------------|----------|--------------|------|----------|--------|--------|
| 01 | 6500 | 0 | 5001 | 0000 | 8792 | 000 |

- Fund 01 is the school district's General Fund.
- Resource 6500 is Special Education.
- Project Year is not applicable in this example.
- Goal 5001 is Special Education—Unspecified. A Special Education goal is required for Special Education revenue.
- Function is not required for revenue.
- Object 8792 is Transfers of Apportionments from County Offices. In this case, the AU is a county office of education.
- School is not required.

**Example 9: The SELPA, as the AU, has received apportionment for regionalized services. The AU contracts with a participating district to provide regionalized services**.

(a) The county office, as the SELPA AU, records payment on a contract with a district to provide regionalized services, in this case, to coordinate curriculum development.

| Fund/Group | Resource | Project Year | Goal | Function | Object | School |
|------------|----------|--------------|------|----------|--------|--------|
| 01 | 6500 | 0 | 5001 | 2130 | 5800 | 000 |

- Fund 01 is the County School Service Fund.
- Resource 6500 is Special Education.
- Project Year is not applicable in this example.
- Goal 5001 is Special Education—Unspecified. The AU may choose to use the optional Goal 5050, Regionalized Services.
- Function 2130 is Curriculum Development.
- Object 5800 is Professional/Consulting Services and Operating Expenditures.
- School is not required.

(b) The district records the interagency revenue from the AU. In this case the AU is a county office SELPA.

| Fund/Group | Resource | Project Year | Goal | Function | Object | School |
|------------|----------|--------------|------|----------|--------|--------|
| 01 | 9010 | 0 | 7110 | 0000 | 8677 | 000 |

- Fund 01 is the General Fund.
- Resource 9010 is Other Local, in this case, a contract with another LEA.
- Project Year is not applicable in this example.
- Goal 7110 is Nonagency–Educational.
- Function is not required for revenue.
- Object 8677 is Interagency Services between LEAs.
- School is not required.

(c) As part of this contract, the district pays a program specialist who provides regionalized services to members of the SELPA.

| Fund/Group | Resource | Project Year | Goal | Function | Object | School |
|---|---|---|---|---|---|---|
| 01 | 9010 | 0 | 7110 | 2100 | 1900 | 000 |

- Fund 01 is the General Fund.
- Resource 9010 is Other Local.
- Project Year is not applicable in this example.
- Goal 7110 is Nonagency–Educational.
- Function 2100 is Supervision of Instruction.
- Object 1900 is Other Certificated Salaries.
- School is not required.

**Example 10:  A school district, a member of a SELPA, makes payments to another entity for a special education student's education.**

(a)  The district makes payments to a State Special School.

| Fund/Group | Resource | Project Year | Goal | Function | Object | School |
|---|---|---|---|---|---|---|
| 01 | 0000 | 0 | 5001 | 9000 | 7130 | 000 |

- Fund 01 is the General Fund.
- Resource 0000 is Unrestricted Resources.
- Project Year is not applicable in this example.
- Goal 5001 is Special Education—Unspecified.
- Function 9000 is Other Outgo. For more detail, the optional Function 9200, Transfers Between Agencies, may be used.
- Object 7130 is State Special Schools.
- School is not required.

(b)  The district makes payments to a nonpublic school for a severely disabled student's education.

| Fund/Group | Resource | Project Year | Goal | Function | Object | School |
|---|---|---|---|---|---|---|
| 01 | 6500 | 0 | 5750 | 1180 | 5800 | 000 |

- Fund 01 is the General Fund.
- Resource 6500 is Special Education.
- Project Year is not applicable in this example.
- Goal 5750 is Ages 5–22, Severely Disabled.
- Function 1180 is Special Education:  Nonpublic Agencies/Schools.
- Object 5800 is Professional/Consulting Services and Operating Expenditures.
- School is not required.

(c) A school district pays excess costs for a program that is run by the SELPA.

(1) The SELPA AU bills the district for excess costs:

| Fund/Group | Resource | Project Year | Goal | Function | Object | School |
|---|---|---|---|---|---|---|
| 01 | 6500 | 0 | 5750 | 0000 | 8710 | 000 |

- <u>Fund 01</u> is the County School Service Fund.
- <u>Resource 6500</u> is Special Education.
- <u>Project Year</u> is not applicable for this example.
- <u>Goal 5750</u> is Special Education, Ages 5–22, Severely Disabled.
- <u>Function</u> is not required for revenue or balance sheet accounts.
- <u>Object 8710</u> is Tuition.
- <u>School</u> is not required.

(2) The school district pays the SELPA AU its share of excess costs of the program per the local plan agreement:

| Fund/Group | Resource | Project Year | Goal | Function | Object | School |
|---|---|---|---|---|---|---|
| 01 | 6500 | 0 | 5750 | 9000 | 7142 | 000 |

- <u>Fund 01</u> is the district's General Fund.
- <u>Resource 6500</u> is Special Education.
- <u>Project Year</u> is not applicable for this example.
- <u>Goal 5750</u> is Special Education, Ages 5–22, Severely Disabled.
- <u>Function 9000</u> is Other Outgo.
- <u>Object 7142</u> is Other Tuition, Excess Costs, and/or Deficit Payments to County Offices.
- <u>School</u> is not required.

**Example 11: The administrative costs must be identified.**

(a) A multidistrict SELPA AU pays its director.

| Fund/Group | Resource | Project Year | Goal | Function | Object | School |
|---|---|---|---|---|---|---|
| 01 | 6500 | 0 | 5001 | 2200 | 1300 | 000 |

- <u>Fund 01 </u>is the General Fund.
- <u>Resource 6500</u> is Special Education.
- <u>Project Year</u> is not applicable in this example.
- <u>Goal 5001</u> is Special Education—Unspecified.
- <u>Function 2200</u> is Administrative Unit of Multidistrict SELPA.
- <u>Object 1300</u> is Certificated Supervisors' and Administrators' Salaries.
- <u>School</u> is not required.

(b)  A district charges its special education programs its indirect cost rate as follows.

| Fund/Group | Resource | Project Year | Goal | Function | Object | School |
|---|---|---|---|---|---|---|
| 01 | 6500 | 0 | 5001 | 7200 | 7310 | 000 |

- Fund 01 is the General Fund.
- Resource 6500 is Special Education.
- Project Year is not applicable in this example.
- Goal 5001 is Special Education—Unspecified.
- Function 7200 is Other General Administration.
- Object 7310 Direct Support/Indirect Costs Charges.
- School is not required.

Generally, the appropriate function for staff development follows the function of the employee being trained. Both Function 2140, In-house Instructional Staff Development, and Function 7410, Staff Development, are optional codes designed to capture the costs of a staff development department or of persons hired to develop staff development programs for LEA personnel.

**Example 1: Cost of Staff to Coordinate Staff Development Programs**
If a school district hires staff to develop and deliver instructional staff development programs, that cost should be charged to Function 2100, Supervision of Instruction; or optionally Function 2140, In-house Instructional Staff Development. The 2000 functions cover "support to facilitate and enhance instruction" services designed to support the instructional staff.

| Fund/Group | Resource | Project Year | Goal | Function | Object | School |
|---|---|---|---|---|---|---|
| 01 | 0000 | 0 | 0000 | 2140 | 1300 | 000 |

- Fund 01 is the General Fund.
- Resource 0000 is Unrestricted Resources.
- Project Year is not applicable in this example.
- Goal 0000 is Undistributed.
- Function 2140 is In-house Instructional Staff Development.
- Object 1300 is Certificated Supervisors' and Administrators' Salaries.
- School is not required.

Function 7410, Staff Development, is a subset of Function 7400, Personnel/Human Resources Services. This function accounts for staff members in the personnel department who are responsible for coordinating or developing district-wide classes for classified personnel. For example, if the personnel department is responsible for conducting district-wide classes on employee safety, the cost may be coded as follows:

| Fund/Group | Resource | Project Year | Goal | Function | Object | School |
|---|---|---|---|---|---|---|
| 01 | 0000 | 0 | 0000 | 7410 | 2400 | 000 |

- Fund 01 is the General Fund.
- Resource 0000 is Unrestricted Resources.
- Project Year is not applicable in this example.
- Goal 0000 is Undistributed.
- Function 7410 is Staff Development.
- Object 2400 is Clerical, Technical, and Office Staff Salaries.
- School is not required.

**Example 2: Cost of Sending Employees to Staff Development Classes**
Generally, the cost of a staff development class designed to improve an employee's job performance follows the function of the employee. Thus, the cost of improving a teacher's knowledge of classroom computer use should be coded to the teacher's instructional function. The cost of instructing a maintenance employee on hazardous materials should be coded to the maintenance and operations function. If the school nurses are sent to a seminar on current health issues, the cost should be coded to the health services function. If a speaker is engaged to give instructional training to the district's instructional teachers and teacher's aides, the function should be coded as follows:

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| Fund/Group | Resource | Project Year | Goal | Function | Object | School |
|---|---|---|---|---|---|---|
| 01 | 0000 | 0 | 1110 | 1000 | 5800 | 000 |

- Fund 01 is the General Fund.
- Resource 0000 is Unrestricted Resources, which might be the Staff Development Day Buy-out funding.
- Project Year is not applicable in this example.
- Goal 1110 is Regular Education, Grades K–12.
- Function 1000 is Instruction.
- Object 5800 is Professional/Consulting Services and Operating Expenses.
- School is not required.

Function 1000, Instruction, is for "activities dealing directly with the interaction between teachers and students." The direct cost of improving a teacher's ability to teach is an instructional cost.

**Example 3:  Payment of Tuition for Employees**
An LEA might obtain funding to assist paraprofessionals with the costs of obtaining the college education necessary for a teaching credential.  These costs are incurred to develop the capability of the employee and to increase the level of competency of the teaching staff.  Just as a teacher may be paid for taking classes to obtain a master's degree (a cost charged to Function 1000, Instruction), these costs enable a classroom teaching assistant to obtain a credential, a cost that may be charged to Function 1000, Instruction.

| Fund/Group | Resource | Project Year | Goal | Function | Object | School |
|---|---|---|---|---|---|---|
| 01 | 6263 | 0 | 1110 | 1000 | 5800 | 000 |

- Fund 01 is the General Fund.
- Resource 6263 is Paraprofessional Teacher Training, a grant issued by the Commission on Teacher Credentialing.
- Project Year is not applicable in this example.
- Goal 1110 is Regular Education, Grades K–12.
- Function 1000 is Instruction.
- Object 5800 is Professional/Consulting Services and Operating Expenses.
- School is not required.

The following example of the accounting procedure for Tax and Revenue Anticipation Notes (TRANs) follows that found in Procedure No. 603 of Part I of the *California School Accounting Manual.*

**Example 1: Issuance of TRANs by a Single LEA**

(a) The LEA receives the proceeds of a TRANs issuance with the associated administrative expenditure and liability. In this case, the administrative costs ($8,500) are deducted from the notes' proceeds at the time of issuance.

|     | Fund/Group | Resource | Project Year | Goal | Function | Object | Amount |
|-----|------------|----------|--------------|------|----------|--------|--------|
| Dr  | 01         | 0000     | 0            | 0000 | 0000     | 9110   | $991,500 |
| Dr  | 01         | 0000     | 0            | 0000 | 9100     | 5800   | $8,500 |
| Cr  | 01         | 0000     | 0            | 0000 | 0000     | 9640   | $1,000,000 |

- Fund 01 is the General Fund.
- Resource 0000 is Unrestricted Resources.
- Project Year is not applicable in this example.
- Goal 0000 is Undistributed.
- Function is not necessary for balance sheet accounts; Function 9100 is Other Outgo, Debt Services.
- Object 9110 is Cash in County Treasury; Object 5800 is Professional /Consulting Services and Operating Expenditures; and Object 9640 is Current Loans.

(b) In this example, a 50-percent repayment is due on December 31.

|     | Fund/Group | Resource | Project Year | Goal | Function | Object | Amount |
|-----|------------|----------|--------------|------|----------|--------|--------|
| Dr  | 01         | 0000     | 0            | 0000 | 0000     | 9640   | $500,000 |
| Cr  | 01         | 0000     | 0            | 0000 | 0000     | 9110   | $500,000 |

- Fund 01 is the General Fund.
- Resource 0000 is Unrestricted Resources.
- Project Year is not applicable in this example.
- Goal 0000 is Undistributed.
- Function 0000 is not necessary for balance sheet accounts.
- Object 9640 is Current Loans, and Object 9110 is Cash in County Treasury.

(c) Four months later, the balance of the principal plus interest on the entire issue is repaid.

|     | Fund/Group | Resource | Project Year | Goal | Function | Object | Amount |
|-----|------------|----------|--------------|------|----------|--------|--------|
| Dr  | 01         | 0000     | 0            | 0000 | 0000     | 9640   | $500,000 |
| Dr  | 01         | 0000     | 0            | 0000 | 9100     | 5800   | $50,000 |
| Cr  | 01         | 0000     | 0            | 0000 | 0000     | 9110   | $550,000 |

- Fund 01 is the General Fund.
- Resource 0000 is Unrestricted Resources.
- Project Year is not applicable in this example.
- Goal 0000 is Undistributed.
- Function 0000 is not necessary for balance sheet accounts; Function 9100 is Other Outgo, Debt Services.
- Object 9640 is Current Loans, and Object 9110 is Cash in County Treasury.

# 211—Tax and Revenue Anticipation Notes

The following examples are offered to clarify the coding of expenditures for computer hardware, software, and other technological components.

**Example 1:  Purchase of Software for Use by Students**

(a)  In this example, the software is an integral part of a core curriculum adopted by the State Board of Education and is a part of the approved list of instructional materials.

| Fund/Group | Resource | Project Year | Goal | Function | Object | School |
|---|---|---|---|---|---|---|
| 01 | 7155 | 0 | 1110 | 1000 | 4100 | 000 |

- Fund 01 is the General Fund.
- Resource 7155 is Instructional Materials: Grades K–8.
- Project Year is not applicable in this example.
- Goal 1110 is Regular Education, Grades K–12.
- Function 1000 is Instruction.
- Object 4100 is Approved Textbooks and Core Curricula Materials.
- School is not required.

(b)  Instructional software is purchased for use as a reference tool for students in the classroom.

| Fund/Group | Resource | Project Year | Goal | Function | Object | School |
|---|---|---|---|---|---|---|
| 01 | 1100 | 0 | 1110 | 1000 | 4200 | 000 |

- Fund 01 is the General Fund.
- Resource 1100 is State Lottery.
- Project Year is not applicable in this example.
- Goal 1110 is Regular Education, Grades K–12.
- Function 1000 is Instruction.
- Object 4200 is Books and Reference Materials.
- School is not required.

(c)  Computer games are purchased for use in the classroom during rainy day recesses.

| Fund/Group | Resource | Project Year | Goal | Function | Object | School |
|---|---|---|---|---|---|---|
| 01 | 0000 | 0 | 1110 | 1000 | 4300 | 000 |

- Fund 01 is the General Fund.
- Resource 0000 is Unrestricted Resources.
- Project Year is not applicable in this example.
- Goal 1110 is Regular Education, Grades K–12.
- Function 1000 is Instruction.
- Object 4300 is Materials and Supplies.
- School is not required.

(d) The district's data processing department purchases a new financial accounting system to implement SACS. This is a major system that handles financial data, personnel data, student attendance, and student grades. The contract includes four costs: a software purchase price of $15,000, a maintenance agreement of $10,000, a one-time research and development cost of $5,000, and one-time training for $3,000.

| Fund/Group | Resource | Project Year | Goal | Function | Object | Amount |
|---|---|---|---|---|---|---|
| 01 | 0000 | 0 | 0000 | 7700 | 6400 | $33,000 |

- Fund 01 is the General Fund.
- Resource 0000 is Unrestricted Resources.
- Project Year is not applicable in this example.
- Goal 0000 is Undistributed.
- Function 7700 is Data Processing Services.
- Object 6400 is Equipment.

In this example, the initial cost of the software is capitalized; often, a purchase contract does not specify the price for each of these components. The cost includes the research and development fee and the maintenance agreement, following the capitalization rules that include all costs of acquisition and installation in the cost of the equipment. If an annual maintenance fee is paid each year, the subsequent cost should be coded to Object 5600, Rentals, Leases, and Repairs. Additional training would be coded to Object 5800, Professional/Consulting Services and Operating Expenditures.

(e) The district's business office purchases an "off-the-shelf" spreadsheet program for use by staff members. Their PCs are on a network, and the software cost includes an original license fee for multiple users. There is an annual software maintenance agreement with this program to provide users with help. The total cost of the contract is $18,000.

| Fund/Group | Resource | Project Year | Goal | Function | Object | Amount |
|---|---|---|---|---|---|---|
| 01 | 0000 | 0 | 0000 | 7200 | 6400 | $18,000 |

- Fund 01 is the General Fund.
- Resource 0000 is for Unrestricted Resources.
- Project Year is not applicable in this example.
- Goal 0000 is Undistributed.
- Function 7200 is Other General Administration.
- Object 6400 is Equipment as defined by capitalization rules (Procedure 801).

A purchase is defined as "equipment" if it has a life of over one year and if the cost exceeds the LEA's capitalization policy. A factor to consider is the difficulty of maintaining software on an inventory of fixed assets.

(f) The district's business office purchases an "off-the-shelf" spreadsheet program for use by the accountant on a "stand-alone" PC. An annual software maintenance agreement with this program provides users with help. The total cost is $350.

| Fund/Group | Resource | Project Year | Goal | Function | Object | Amount |
|---|---|---|---|---|---|---|
| 01 | 0000 | 0 | 0000 | 7200 | 4300 | $350 |

- Fund 01 is the General Fund.
- Resource 0000 is Unrestricted Resources.
- Project Year is not applicable in this example.
- Goal 0000 is Undistributed.
- Function 7200 is Other General Administration.
- Object 4300 is Materials and Supplies.

During the following year, the software vendor offers an upgrade of the software.

| Fund/Group | Resource | Project Year | Goal | Function | Object | Amount |
|---|---|---|---|---|---|---|
| 01 | 0000 | 0 | 0000 | 7200 | 4300 | $225 |

- Fund 01 is the General Fund.
- Resource 0000 is Unrestricted Resources.
- Project Year is not applicable in this example.
- Goal 0000 is Undistributed.
- Function 7200 is Other General Administration.
- Object 4300 is Materials and Supplies. A software upgrade is considered a new purchase of materials.

In all of these examples, the initial cost of the software includes the license fee and maintenance agreement. If during subsequent years, an annual license fee were incurred, it would be coded to Object 5800, Professional/Consulting Services and Operating Expenditures; a maintenance fee would be coded to Object 5600, Rentals, Leases, and Repairs.

**Example 2:  Purchase of Hardware**

(a)  The data processing department purchases a computer system that includes hardware and some software packages for the operating system.

| Fund/Group | Resource | Project Year | Goal | Function | Object | Amount |
|---|---|---|---|---|---|---|
| 01 | 0000 | 0 | 0000 | 7700 | 6400 | $6,750 |

- Fund 01 is the General Fund.
- Resource 0000 is Unrestricted Resources.
- Project Year is not applicable in this example.
- Goal 0000 is Undistributed.
- Function 7700 is Data Processing Services.
- Object 6400 is Equipment as defined by capitalization rules.  (See Procedure No. 801 in Part I.)

In this example the entire package has been capitalized; the operating software is considered part of the cost of getting the hardware installed and functioning.  Additional software added later would be coded as either Object 4300, Materials and Supplies, or Object 6400, Equipment, depending on the district's capitalization policy.

Generally, software is a separate and independent item; it is not a part of hardware.  A software purchase that includes a license enables the user to move the software from one piece of equipment to another and thus exists independently of the equipment.  Therefore, if hardware and software were purchased at the same time, two items would be entered under Object 6400, Equipment:  the cost of the hardware and the cost of the software.

(b) The school nurse buys a PC for his desk that includes software. The cost includes (1) the hardware with operating software for $2500, which includes a maintenance agreement; (2) software designed for school nurse applications for $1500; (3) a license fee of $500 for that software; and (4) an annual maintenance agreement for $350.

| Fund/Group | Resource | Project Year | Goal | Function | Object | Amount |
|---|---|---|---|---|---|---|
| 01 | 0000 | 0 | 0000 | 3140 | 6400 | $2,500 |
| 01 | 0000 | 0 | 0000 | 3140 | 4300 | $2,350 |

- Fund 01 is the General Fund.
- Resource 0000 is Unrestricted Resources.
- Project Year is not applicable in this example.
- Goal 0000 is Undistributed.
- Function 3140 is Health Services.
- Object 6400 is Equipment as defined by capitalization rules (Procedure No. 801); the specialized software is Object 4300, Materials and Supplies.

The software is not a part of the hardware system and may be considered a supply, Object 4300, because of its life, low vulnerability to theft, and difficulty in tagging. The license fee and fee for the first year of maintenance may be part of the initial cost of the software and therefore may be categorized as a single cost. If either fee is separate from the price of the software and/or is optional in the purchase contract, then the fees would be coded to Object 5800, Contracted Services. In the following year, any upgrade of the software would be coded to Object 4300; a renewal of the license fee or of the maintenance agreement would be coded to Object 5800.

### Example 3: Installation and Maintenance of Technology Systems

(a) XYZ District is ordering a complete workover to wire each classroom for the Internet and other technological advances. False floors with wires in conduits are added to the buildings. Underground wiring has also been installed in the classrooms. Underground wiring up to a building is a site cost; wiring inside the building is considered a building cost.

| Fund/Group | Resource | Project Year | Goal | Function | Object | School |
|---|---|---|---|---|---|---|
| 01 | 9010 | 0 | 0000 | 8500 | 6100 | 000 |
| 01 | 9010 | 0 | 0000 | 8500 | 6200 | 000 |

- Fund 01 is the General Fund.
- Resource 9010 is a locally defined resource representing a donation from a local business.
- Project Year is not applicable in this example.
- Goal 0000 is Undistributed.
- Function 8500 is Facilities Acquisition and Construction.
- Object 6100 is Sites and Improvement of Sites, and Object 6200 is Buildings and Improvement of Buildings.
- School is not required.

(b) Two years later there is a wiring problem in Room 23.  The staff electrician locates the problem and repairs the wiring in the cable under the floor.  The costs are included in the salary, benefits, and supplies in Maintenance and Operations, as costs of maintaining the facility.

| Fund/Group | Resource | Project Year | Goal | Function | Object | School |
|---|---|---|---|---|---|---|
| 01 | 0000 | 0 | 0000 | 8100 | 2200 | 000 |
| 01 | 0000 | 0 | 0000 | 8100 | 4300 | 000 |

- Fund 01 is the General Fund.
- Resource 0000 is Unrestricted Resources.
- Project Year is not applicable in this example.
- Goal 0000 is Undistributed.
- Function 8100 is Plant Maintenance and Operations.
- Object 2200 is Classified Support Salaries, and Object 4300 is Materials and Supplies.
- School is not required.

Although the costs are originally captured by the Maintenance and Operation function, they may be transferred through Object 7310, Direct Support/Indirect Costs, to an instructional goal based on a work order or another method of documentation.  The function is not changed even though the costs can be directly documented; the essence of the maintenance work does not change to instructional work.

(c) The library has a multimedia area for student use.  A work order has been completed for construction of a built-in cabinet to house a television, CD player, and videocassette recorder.  The resulting cabinet is built into the wall and is an integral part of the building.

| Fund/Group | Resource | Project Year | Goal | Function | Object | School |
|---|---|---|---|---|---|---|
| 01 | 0000 | 0 | 0000 | 8100 | 2200 | 000 |
| 01 | 0000 | 0 | 0000 | 8100 | 4300 | 000 |

- Fund 01 is the General Fund.
- Resource 0000 is Unrestricted Resources.
- Project Year is not applicable in this example.
- Goal 0000 is Undistributed.
- Function 8100 is Plant Maintenance and Operations.
- Object 2200 is Classified Support Salaries, and Object 4300 is Materials and Supplies.
- School is not required.

If the LEA wishes to capitalize the cost of the building improvement, the final cost of the addition to the room can be transferred by work order to Function 8500, Facilities Acquisition and Construction.  In this case because the function changes, the correct object is 5710, Direct Costs for Transfer of Services.

If the cabinet were a rolling cabinet instead of built in, it would be considered a piece of equipment.  The transfer would be to the relevant goals, such as Goal 1110, Regular Education, K–12; and Function 2420, Instructional Library, Media, and Technology.

# 212—Technology Expenditures

The transportation department of a school district may provide more than home-to-school transportation for its own student body.  The following examples illustrate a few examples of the types of transactions that may occur between a providing district and a contracting LEA.

**Example 1:  Direct Documentation of Costs Transferred between Functions (Transportation)**
Many LEAs collect costs in a "cost pool" and then transfer out costs on the basis of documentation.  For example, the costs of instructional field trips are often charged to the transportation pool and then transferred to the user program.  In this example, the cost of field trips conducted as a part of the curriculum under the supervision of a teacher and for which attendance is claimed should be charged to an appropriate resource such as Unrestricted Resources 0000, Function 1000, Instruction.  Such costs are excluded from Resource 7230, Home to School, Function 3600, Pupil Transportation.

(a)  Initially, all the costs of the transportation system are collected in the Pupil Transportation function and the Home to School resource.  These costs include salaries, benefits, supplies, services, and capital outlay.

| Fund/Group | Resource | Project Year | Goal | Function | Object | School |
|---|---|---|---|---|---|---|
| 01 | 7230 | 0 | 0000 | 3600 | 2200 | 000 |

- Fund 01 is the General Fund.
- Resource 7230 is Transportation: Home to School.
- Project Year is not applicable in this example.
- Goal 0000 is Undistributed because the home-to-school activity is provided for all students.
- Function 3600 is Pupil Transportation.
- Object 2200 is Classified Support Salaries for bus drivers.
- School is not required.

(b)  The cost of the field trip is documented and moved out of the Home to School resource and out of the Pupil Transportation function.  Field trips are not included in Function 3600, Pupil Transportation.

|  | Fund/Group | Resource | Project Year | Goal | Function | Object | School |
|---|---|---|---|---|---|---|---|
| Dr | 01 | 7230 | 0 | 0000 | 0000 | 9110 | 000 |
| Cr | 01 | 7230 | 0 | 0000 | 3600 | 5710 | 000 |
| Dr | 01 | 0000 | 0 | 1110 | 1000 | 5710 | 000 |
| Cr | 01 | 0000 | 0 | 0000 | 0000 | 9110 | 000 |

- Fund 01 is the General Fund.
- Resource 7230, Transportation: Home to School, is relieved of the field trip expenditure. Resource 0000, Unrestricted Resources, is the true funding source.
- Project Year is not applicable in this example.
- Goal 0000, Undistributed, is credited and Goal 1110, Regular Education, is debited for the cost of the field trip.
- Function 3600, Pupil Transportation, is relieved of the field trip expenditure, and Function 1000, Instruction, is charged with the cost.  Function is not required for balance sheet accounts.
- Object 5710 is Direct Costs for Transfer of Services, and Object 9110 is Cash in County Treasury.
- School is not required.

(c)  During the year, students are transported by bus from School Site A to School Site B to participate in an instructional program.

|     | Fund/Group | Resource | Project Year | Goal | Function | Object | School |
|-----|------------|----------|--------------|------|----------|--------|--------|
| Dr  | 01         | 7230     | 0            | 0000 | 0000     | 9110   | 000    |
| Cr  | 01         | 7230     | 0            | 0000 | 3600     | 5710   | 000    |
| Dr  | 01         | 0000     | 0            | 1110 | 1000     | 5710   | 000    |
| Cr  | 01         | 0000     | 0            | 0000 | 0000     | 9110   | 000    |

- Fund 01 is the General Fund.
- Resource 7230 is Transportation: Home to School; Resource 0000 is Unrestricted Resources.
- Project Year is not applicable in this example.
- Goal 0000, Undistributed, is credited while Goal 1110, Regular Education, is debited for the cost of transporting a documented population of students.
- Function 3600, Pupil Transportation, is relieved of the cost of  "Other Miles" and Function 1000, Instruction, is charged with the cost. Function is not required for balance sheet accounts.
- Object 5710 is Direct Costs for Transfer of Services, and Object 9110 is Cash in County Treasury.
- School is not required.

(d)  In this example a private bus is chartered by the high school band to attend a weekend parade.  It can be directly charged to the proper resource, goal, and function.

| Fund/Group | Resource | Project Year | Goal | Function | Object | School |
|------------|----------|--------------|------|----------|--------|--------|
| 01         | 0000     | 0            | 1677 | 4000     | 5800   | 000    |

- Fund 01 is the General Fund.
- Resource 0000 is Unrestricted Resources.
- Project Year is not applicable in this example.
- Goal 1677 is a locally defined goal for a regular education high school music program.
- Function 4000 is Ancillary Services.  The optional Function 4100, School-Sponsored Co-curricular, may be used.
- Object 5800 is Professional /Consulting Services and Operating Expenditures.
- School is not required.


**Example 2:  A school district provides home -to-school transportation for contracting LEAs**.
The providing district will transfer those expenditures associated with providing service for another agency out of the pool of costs it has incurred to transport its own students.

|     | Fund/Group | Resource | Project Year | Goal | Function | Object | School |
|-----|------------|----------|--------------|------|----------|--------|--------|
| Dr  | 01         | 7230     | 0            | 7110 | 3600     | 5710   | 000    |
| Cr  | 01         | 7230     | 0            | 0000 | 3600     | 5710   | 000    |

- Fund 01 is the General Fund of the providing district.
- Resource 7230 is Transportation: Home to School.
- Project Year is not applicable in this example.
- Goal 7110 is Nonagency–Educational; Goal 0000 is Undistributed.
- Function 3600 is Pupil Transportation.
- Object 5710 is Direct Costs for Transfer of Services.
- School is not required.

**Example 3:  A school district provides transportation for other than home-to-school for the contracting LEAs.**

The providing district is contracted to provide buses for another LEA's football team.  Unlike Example 1, these costs may not be charged to the Home-to-School programs.

|    | Fund/Group | Resource | Project Year | Goal | Function | Object | School |
|----|------------|----------|--------------|------|----------|--------|--------|
| Dr | 01 | 0100 | 0 | 7110 | 4000 | 5710 | 000 |
| Cr | 01 | 0100 | 0 | 0000 | 0000 | 9110 | 000 |
| Dr | 01 | 7230 | 0 | 7110 | 0000 | 9110 | 000 |
| Cr | 01 | 7230 | 0 | 0000 | 3600 | 5710 | 000 |

- Fund 01 is the General Fund of the providing district.
- Resource 7230 is Transportation: Home to School.  The district has optionally defined an unrestricted Resource 0100 to track the revenue and expenditures of transportation contracts other than home-to-school contracts.
- Project Year is not applicable in this example.
- Goal 7110 is Nonagency–Educational, and Goal 0000 is Undistributed.
- Function 4000 is Ancillary Services, the type of service provided to the contracting LEA; Function 3600 is Pupil Transportation, the pool from which the costs are being transferred.  Function is not required for balance sheet accounts.
- Object 5710 is Direct Costs for Transfer of Services.  This is a transfer not only between goals, but also between resources and functions.  Object 9110 is Cash in County Treasury.  The transfer between resources requires a corresponding movement of cash.
- School is not required.


**Example 4:  The school district provides maintenance for other vehicles (not school buses) for the contracting LEAs.**

A district may have a central garage that provides services for the vehicles of other LEAs.

|    | Fund/Group | Resource | Project Year | Goal | Function | Object | School |
|----|------------|----------|--------------|------|----------|--------|--------|
| Dr | 01 | 0100 | 0 | 7110 | 8100 | 5710 | 000 |
| Cr | 01 | 0100 | 0 | 0000 | 0000 | 9110 | 000 |
| Dr | 01 | 7230 | 0 | 0000 | 0000 | 9110 | 000 |
| Cr | 01 | 7230 | 0 | 0000 | 3600 | 5710 | 000 |

- Fund 01 is the General Fund of the providing district.
- Resource 7230 is Transportation: Home to School. The district has optionally defined an unrestricted Resource 0100 to track the revenue and expenditures of transportation contracts other than home-to-school contracts.
- Project Year is not applicable in this example.
- Goal 7110 is Nonagency–Educational, and Goal 0000 is Undistributed.
- Function 8100 is Plant Maintenance and Operations, the type of service provided to the contracting LEA. Function 3600 is Pupil Transportation, the pool from which the costs are being transferred.  Function is not required for balance sheet accounts.
- Object 5710 is Direct Costs for Transfer of Services.  This is a transfer not only between goals, but also between resources and functions.  Object 9110 is Cash in County Treasury.  The transfer between resources requires a corresponding movement of cash.
- School is not required.

## 213—Transportation

**Example 5:  The school district receives payment from the contracting LEAs.**

|  | Fund/Group | Resource | Project Year | Goal | Function | Object | School |
|---|---|---|---|---|---|---|---|
| Dr | 01 | 0100 | 0 | 0000 | 0000 | 9110 | 000 |
| Dr | 01 | 7230 | 0 | 0000 | 0000 | 9110 | 000 |
| Cr | 01 | 0100 | 0 | 0000 | 4000 | 8677 | 000 |
| Cr | 01 | 0100 | 0 | 0000 | 8100 | 8677 | 000 |
| Cr | 01 | 7230 | 0 | 0000 | 3600 | 8677 | 000 |

- Fund 01 is the General Fund of the providing district.
- Resource 7230 is Transportation: Home to School.  The district has optionally defined an unrestricted Resource 0100 to track the revenue and expenditures of transportation contracts other than home-to-school contracts.
- Project Year is not applicable in this example.
- Goal 0000 is Undistributed.  The Goal field is not required for revenue or balance sheet accounts.
- Function 0000 is not applicable; function is not required for revenue accounts or balance sheet accounts.  However, the LEA may use the Function field to match revenue to the expenditures.  In this case, Function 4000 is Ancillary Services; Function 8100 is Plant Maintenance and Operations, the types of service provided to the contracting LEA; and Function 3600 is Pupil Transportation.
- Object 8677 is Interagency Services between LEAs; Object 9110 is Cash in County Treasury.
- School is not required.


**Example 6:  Pay for a contract for home -to-school services.**

(a)  The contracting LEA records the payment to the providing school district for transportation services.

|  | Fund/Group | Resource | Project Year | Goal | Function | Object | School |
|---|---|---|---|---|---|---|---|
| Dr | 01 | 7230 | 0 | 0000 | 3600 | 5800 | 000 |
| Cr | 01 | 7230 | 0 | 0000 | 0000 | 9110 | 000 |

- Fund 01 is the General Fund of the contracting school district.
- Resource 7230 is Transportation: Home to School.
- Project Year is not applicable in this example.
- Goal 0000 is Undistributed.
- Function 3600 is Pupil Transportation.  Function is not required for balance sheet accounts.
- Object 5800 is Professional/Consulting Services and Operating Expenditures.
- School is not required.

(b) Pay for the use of buses for a field trip and the transport of the football team.

|    | Fund/Group | Resource | Project Year | Goal | Function | Object | School |
|----|-----------|----------|--------------|------|----------|--------|--------|
| Dr | 01 | 0000 | 0 | 1110 | 1000 | 5800 | 000 |
| Dr | 01 | 0000 | 0 | 1110 | 4000 | 5800 | 000 |
| Cr | 01 | 0000 | 0 | 0000 | 0000 | 9110 | 000 |

- Fund 01 is the General Fund of the contracting district.
- Resource 0000 is Unrestricted Resources.
- Project Year is not applicable in this example.
- Goal 1110 is Regular Education, K–12.  Goal is not required for balance sheet accounts.
- Function 1000 is Instruction; Function 4000 is Ancillary Services.  Function is not required for balance sheet accounts.
- Object 5800 is Professional/Consulting Services and Operating Expenditures; Object 9110 is Cash in County Treasury.
- School is not required.

(c) Pay the providing school district for the cost of vehicle maintenance.

In this example, the district had work done on the superintendent's car, the cafeteria's delivery van, and a maintenance pickup truck.

|    | Fund/Group | Resource | Project Year | Goal | Function | Object | School |
|----|-----------|----------|--------------|------|----------|--------|--------|
| Dr | 01 | 0000 | 0 | 0000 | 7100 | 5800 | 000 |
| Dr | 01 | 0000 | 0 | 0000 | 3700 | 5800 | 000 |
| Dr | 01 | 0000 | 0 | 0000 | 8100 | 5800 | 000 |
| Cr | 01 | 0000 | 0 | 0000 | 0000 | 9110 | 000 |

- Fund 01 is the General Fund of the providing district.
- Resource 0000 is Unrestricted Resources.
- Project Year is not applicable in this example.
- Goal 0000 is Undistributed. Goal is not required for balance sheet accounts.
- Function 7100 is Board and Superintendent; Function 3700 is Food Services; and Function 8100 is Plant Maintenance and Operations.  Function is not required for balance sheet accounts.
- Object 5800 is Professional/Consulting Services and Operating Expenditures.  Object 9110 is Cash in County Treasury.
- School is not required.

In 1996 the United States Department of Education (USDE) approved a method for calculating indirect cost rates for California's LEAs and delegated the authority to CDE to annually calculate and approve indirect cost rates for school districts and county offices of education.

For more information about the indirect cost rate calculation method approved for California, please refer to the letter dated September 16, 1996, regarding "Indirect Cost Allocation Plan and Indirect Cost Rates for Local Educational Agencies," available on the CDE Web site:

<http://www.cde.ca.gov/fiscal/financial/indirect.htm>

**Components of the Calculation in SACS**
The indirect cost rate is determined by dividing the indirect costs of an LEA by the other expenditures. Using the unaudited actual expenditure data from SACS, in combination with certain supplemental data provided by the LEA, all expenditures are categorized as indirect, base, or other costs. The indirect costs are the numerator of the indirect cost rate calculation, and the base costs are the denominator of the calculation. A few other costs, such as debt service and facility construction, are excluded from the calculation. (An example of how to record indirect costs may be found in Section 202, Example 4.)

**Indirect Costs (Numerator)**
Indirect costs are the General Fund costs of general management (i.e., activities that are for the direction and control of the LEA's affairs) that are organizationwide. Indirect costs consist of expenditures for administrative activities that are not readily identifiable to a particular goal but are necessary for the general operation of the LEA (e.g., accounting, budgeting, payroll preparation, personnel management, purchasing, warehousing, data processing). Also included in indirect costs is a proportionate share of any maintenance and operations costs and facilities rents and leases attributable, based on space occupied, to these administrative activities. The numerator also includes carry-forward adjustments that are an integral part of the indirect cost rate calculation method approved by USDE. (Refer to the Indirect Cost Rate Work Sheet at the end of this section for a list of the components that appear in the numerator.)

**Base Costs (Denominator)**
Base costs are almost all of the remaining costs of the LEA except for debt service and facility construction, which are excluded entirely from the calculation. Examples of base costs include teachers' salaries, benefits, supplies, contracts for services, rents, board and superintendent costs, and those data processing services attributable to a specific function. Besides the General Fund, similar expenditures from three special revenue funds (Adult Education, Cafeteria, and Child Development) and one enterprise fund (Cafeteria) are included. Other governmental funds, such as Deferred Maintenance or Capital Facilities, proprietary funds other than Cafeteria, and fiduciary funds are not included in the base costs. (Refer to the Indirect Cost Rate Work Sheet for a list of the components that appear in the denominator.)

**Supplemental Data**
To ensure that indirect cost rates derived from SACS are consistent with the indirect cost plan method approved by USDE, two supplemental pieces of information must be gathered at the time the indirect cost rate is calculated. First, to enable LEAs to include the administrative activities portion of maintenance and operations and facilities rents and leases in indirect costs, the "classroom unit" allocation factor is used to split these costs proportionately between the numerator and denominator of the calculation.

Second, if there are data processing services in the Undistributed Goal that are attributable to a particular function, these must be identified as well, allowing them to be redistributed from indirect costs to base costs.

Once calculated and approved, the indirect cost rates may be used to recover indirect costs from programs in the second subsequent fiscal year (e.g., rates calculated on 2001-02 expenditures are applied to programs in 2003-04).

# Unaudited Actuals
### Indirect Cost Rate Work Sheet
## General Fund

**Indirect Cost Rate Calculation**

**A.  Indirect Costs (numerator)**

1.  Other General Administration (Functions 7200–7600, Objects 1100–5900, 6400, and 6500)
2.  Data Processing Services (Goal 0000, Function 7700, Objects 1100–5900, 6400, 6500, and 7310–7350, less data processing services costs redistributed to the base costs)
3.  Plant Maintenance and Operations (Functions 8100–8400, Objects 1100–5900, 6400, and 6500, times the percentage of total classroom units attributable to other general administration, data processing services, and plant maintenance and operations)
4.  Facilities Rents and Leases (Function 8700, Object 5600, times the percentage of total classroom units attributable to other general administration, data processing services, and plant maintenance and operations)
5.  Total Indirect Costs (sum A1 through A4)
6.  Carry-Forward Adjustment (A5 plus 2nd prior year carry forward adjustment, minus [2nd prior year indirect cost rate times B13])
7.  Total Adjusted Indirect Costs (A5 plus A6)

**B.  Base Costs (denominator)**

1.  Instruction (Functions 1000–1999, Objects 1100–5900, 6400, and 6500)
2.  Instruction-Related Services (Functions 2000–2999, Objects 1100–5900, 6400, and 6500)
3.  Pupil Services (Functions 3000–3999, Objects 1100–5900, 6400, and 6500)
4.  Ancillary Services (Functions 4000–4999, Objects 1100–5900, 6400, and 6500)
5.  Community Services (Functions 5000–5999, Objects 1100–5900, 6400, and 6500)
6.  Board and Superintendent (Functions 7100–7180, Objects 1100–5900, 6400, and 6500)
7.  Data Processing Services (Goals 0001–9000, Function 7700, Objects 1100–5900, 6400, 6500, and 7310–7350, plus data processing services costs redistributed to the base costs)
8.  Plant Maintenance and Operations (Functions 8100–8400, Objects 1100–5900, 6400, and 6500 minus A3)
9.  Facilities Rents and Leases (Function 8700, Object 5600 minus A4)
10. Adult Education (Fund 11, Objects 1100–5900)
11. Child Development (Fund 12, Objects 1100–5900)
12. Cafeteria (Funds 13 and 61, Objects 1100–5900)
13. Total Base Costs (sum B1 through B12)

**C.  Straight Indirect Cost Percentage Before Carry Forward Adjustment (For information only – not for use when claiming/recovering indirect costs)**
(A5 divided by B13)

**D.  Indirect Cost Rate  (Fixed with carry-forward rate, for use two years from current fiscal year, subject to CDE approval)**
(A7 divided by B13)

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Use of an *italicized* account code is optional

## Unaudited Actuals
### Indirect Cost Rate Work Sheet
## County School Service Fund

**Indirect Cost Rate Calculation**

**A.    Indirect Costs (numerator)**

1.   Other General Administration (Goals 0000–8500 and 9000, Functions 7200–7600, Objects 1100–5900, 6400, and 6500)
2.   Data Processing Services (Goal 0000, Function 7700, Objects 1100–5900, 6400, 6500, and 7310–7350, less data processing services costs redistributed to the base costs)
3.   Plant Maintenance and Operations (Functions 8100–8400, Objects 1100–5900, 6400, and 6500, times the percentage of total classroom units attributable to other general administration, data processing services, and plant maintenance and operations)
4.   Facilities Rents and Leases (Function 8700, Object 5600, times the percentage of total classroom units attributable to other general administration, data processing services, and plant maintenance and operations)
5.   Total Indirect Costs (sum A1 through A4)
6.   Carry-Forward Adjustment (A5 plus 2nd prior year carry forward adjustment, minus [2nd prior year indirect cost rate times B14])
7.   Total Adjusted Indirect Costs (A5 plus A6)

**B.    Base Costs (denominator)**

1.   Instruction (Functions 1000–1999, Objects 1100–5900, 6400, and 6500)
2.   Instruction-Related Services (Functions 2000–2999, Objects 1100–5900, 6400, and 6500)
3.   Pupil Services (Functions 3000–3999, Objects 1100–5900, 6400, and 6500)
4.   Ancillary Services (Functions 4000–4999, Objects 1100–5900, 6400, and 6500)
5.   Community Services (Functions 5000–5999, Objects 1100–5900, 6400, and 6500)
6.   Board and Superintendent (Functions 7100–7180, Objects 1100–5900, 6400, and 6500)
7.   Other General Administration (Goal 8600, Functions 7200–7600, Objects 1100–5900, 6400, and 6500)
8.   Data Processing Services (Goals 0001–9000, Function 7700, Objects 1100–5900, 6400, 6500, and 7310–7350, plus data processing services costs redistributed to the base costs)
9.   Plant Maintenance and Operations (Functions 8100–8400, Objects 1100–5900, 6400, and 6500 minus A3)
10.  Facilities Rents and Leases (Function 8700, Object 5600 minus A4)
11.  Adult Education (Fund 11, Objects 1100–5900)
12.  Child Development (Fund 12, Objects 1100–5900)
13.  Cafeteria (Funds 13 and 61, Objects 1100–5900)
14.  Total Base Costs (sum B1 through B13)

**C.    Straight Indirect Cost Percentage Before Carry Forward Adjustment (For information only – not for use when claiming/recovering indirect costs)**
(A5 divided by B14)

**D.    Indirect Cost Rate (Fixed with carry-forward rate, for use two years from current fiscal year, subject to CDE approval)**
(A7 divided by B14)